

(b) (6)

PO1 USN DCNO N1 (USA)

From: (b) (6) LT USN COMNAVPERSCOM MIL TN (USA)
<(b) (6)>
Sent: Tuesday, December 1, 2020 10:00 AM
To: (b) (6) LCDR USN DCNO N1 (USA)
Cc: (b) (6)
Subject: RE: Ben Anderson Debt Remission Package
Signed By: (b) (6)

(b) (6)

He signed a 4 year contract in 2014.

V/r,
(b) (6)

LT (b) (6)
(Interim) PERS-42MP NOBIP/SUBPAY Manager
(901) 874-4441

We're always looking to improve. Please take a minute and let us know how your interaction with PERS-4 went today.
<https://surveys.max.gov/index.php/454228>

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From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Tuesday, December 1, 2020 8:11 AM
To: (b) (6) LT USN (USA) <(b) (6)>
Cc: (b) (6) LT USN COMNAVPERSCOM MIL TN (USA) <(b) (6)> (b) (6)
Subject: RE: Ben Anderson Debt Remission Package

(b) (6)

Hey its (b) (6) again....and back with a LCDR Ben Anderson question. The remission package is with ASN's office and they are calling with a question.

Are you able to assist, was his COPAY contract obligation for 4 or 5 years? The example contract from that time period that you provided had 5 years and I just want to confirm that was the case.

Attached is the "example" from that time period that you gave us back in August.

Thank you!

V/r,

(b) (6)

LCDR (b) (6) PHR
Head, Special and Incentive Pay Policy
Chief of Naval Operations (N130D)
Comm: (703) 604-4893; DSN: 664-4893
Cell: (847) 997-2648

From: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>

Sent: Tuesday, December 1, 2020 8:01 AM

To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>

Subject: FW: Ben Anderson Debt Remission Package

FYI

From: (b) (6) (b) (6) CDR USN ASSTSECNAV MRA DC (USA) <(b) (6)>

Sent: Monday, November 30, 2020 3:25 PM

To: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>

Cc: (b) (6) CDR USN ASSTSECNAV MRA DC (USA) <(b) (6)>

Subject: Ben Anderson Debt Remission Package

Good Afternoon (b) (6)

My boss has a question about LCDR(Ret.) Ben Anderson's debt remission package. The example nuclear officer continuation contract you all provided states 5 years but your action memo from CNO states 4 years. How long was his obligation?

V/r

(b) (6)

V/r

CDR (b) (6)
Military Manpower, Personnel and Analysis (MPA)
Office of the Deputy Assistant Secretary of the Navy (M&RA),
Military Manpower & Personnel (MM&P)
Phone: (b) (6)
DSN: 225-5118
Email: (b) (6)
Pentagon: 4D548

I am currently teleworking, please call my cell: (b) (6)



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(b) (6)

PO1 USN DCNO N1 (USA)

From: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Sent: Tuesday, August 25, 2020 4:46 PM
To: (b) (6) LCDR USN DCNO N1 (USA)
Cc: (b) (6) LCDR USN DCNO N1 (USA)
Subject: RE: Remission Package ICO Anderson
Signed By: (b) (6)

Thanks (b) (6) I will review.

VR

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Tuesday, August 25, 2020 4:20 PM
To: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: Remission Package ICO Anderson

(b) (6)

Below is the path for Mr. Anderson's remission request:

\\naeawnydfs101v.nadsusea.nads.navy.mil\CS022\$\BUPERS_ALT_N45997_N13\N130\N130D\N130D1\SRB\SRB
Remission Requests\Requests Under Review\Anderson

A few things I would like to point out:

Reference A- this is missing the second page, none of the letters have the second page scanned in and it appears that they stopped doing these letters as my contact at PERS 42 couldn't locate any for previous or subsequent screening groups.

Reference D—this is NOT Mr. Anderson's contract, unfortunately that has alluded us. I have an example contract for another service member who signed the same contract Mr. Anderson did. I think it's important as it clearly states what he signed into, but if it's too confusing as its not his, or a violation of PII we can remove from package, I think we have enough without it. Let me know if I need to "black out" his name, but that could make it look like its redacted information according to (b) (6) ...ultimately seeking some guidance on the way ahead with what you would recommend. Remove? Keep as is?

Standing by to discuss, sir.

V/r,

(b) (6)

(b) (6)

PO1 USN DCNO N1 (USA)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Tuesday, August 25, 2020 2:43 PM
To: (b) (6) LCDR USN DCNO N1 (USA)
Cc: (b) (6) CIV USN DCNO N1 (USA)
Subject: RE: Remission Package ICO Anderson
Signed By: (b) (6)

(b) (6)

This is great work, minor changes on S Drive using track changes. We need to better highlight TAB E I think to clearly show the Secretary where it states the information (or my old eyes missed it). Also, be prepared for (b) (6) or Legal to want to see the DODFMR, OPNAVINST, and BUPERS instruction mentioned in the 8th bullet on page 2, but keep as is for now as that will make a complex package more cumbersome.

I recognize you are still working the TABs as you stated below, but check your TABs and REFs (there is no TAB C and the AM has a spot for 1 REF or 1 TAB D but not both). The REF/TAB D ("signed" contract) bothers me too since we don't have it, but concur we need to move forward with what we have. I would prefer a REF/TAB D that shows what the contract looked like without blacking out someone's information (e.g Word Doc), but maybe the best call at this point is to give the boss his options (give him 3 TAB D versions and let him choose). We also need to be careful when we black out someone else's info and use it in a case like this, that Legal doesn't think it is a redacted, but apparently signed contract from Anderson.

Cleared for the boss once you double check the changes, etc.

Thanks &
V/r,
LCDR (b) (6)
OPNAV N130B
Deputy Branch Head, Military Pay & Compensation
Cell: (b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, August 24, 2020 3:43 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Subject: RE: Remission Package ICO Anderson

(b) (6)

The package is ready for your review—cleaned up the references, you should be able to view them all. I have Ref D in there, but I don't reference it (wanted to get your take on using it as an "example" contract).

The letterhead and AM are correct, the letterhead is what they provided us to use in early July when we requested updated templates. The documents that we have are what we can get, (b) (6) has exhausted all means necessary, N133 doesn't have them, nor does PERS 42...we have what we have at this point. But I think our case is still strong.

\\naeawnydfs101v.nadsusea.nads.navy.mil\CS022\$\BUPERS_ALT_N45997_N13\N130\N130D\N130D1\SRB\SRB
Remission Requests\Requests Under Review\Anderson

Standing by.

V/r,

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Friday, August 21, 2020 5:42 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: Remission Package ICO Anderson

(b) (6)

Merry Monday! This is good work on a complex case....I used Track changes on the Action Memo.

First, I presume if NPC is digging up docs for you that (b) (6) couldn't find them in Eclient, correct? It seems unusual that we would not put such an important contract into an Officers record.

I think we are good here, but just in case - the ref C you have in the folder is probably not something we want to reference as is (e.g. not a professional looking document), but I don't see it referenced so I think it is just the tool you are using to put all this together.

I'm a little rusty, but I think that MPP has a different letterhead than M&RA. Double check that as noted on the REF A.

Look for ways and areas to tighten up the argument that he admitted to receiving the letters (I think I read that somewhere) and failed to take action for 4 years while assigned to ?? (shore duty) ?? – if so, could help our case. Even if PSD was supposed to reach out to him – he had ample opportunity to be proactive.

Hope this helps & I look forward to seeing the final version next week.

Thanks &

V/r,

LCDR (b) (6)

OPNAV N130B

Deputy Branch Head, Military Pay & Compensation

Cell: (b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Friday, August 21, 2020 1:35 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: Remission Package ICO Anderson

Take a look at REF C—it's the timeline that PERS42 provided. I think I captured it in the AM, but that is the bread and butter of how I framed the story.

While we don't have some of the copies of his exact letters, we have follow on letters that reference what we are missing, so they existed somewhere, but unable to locate.

V/r,

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Friday, August 21, 2020 11:55 AM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: Remission Package ICO Anderson

On it. Probably this afternoon – but Monday at the latest....we'll see how my babysitting job goes. ;)

Thanks &
V/r,
LCDR (b) (6)
OPNAV N130B
Deputy Branch Head, Military Pay & Compensation
Cell: (b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Friday, August 21, 2020 9:52 AM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: Remission Package ICO Anderson

(b) (6),

\\naeawnydfs101v.nadsusea.nads.navy.mil\CS022\$\BUPERS_ALT_N45997_N13\N130\N130D\N130D1\SRB\SRB
Remission Requests\Requests Under Review\Anderson

This is the 90% solution to the package. The AM and TAB A are complete and could go up today, but the entire package needs clean up. I need to go into the office and print and re-scan in his remission request documents as one long document (TAB B). I need to print and rescan the updated references (TAB E) as the ones here are old and I can't get it to merge as one document.

-I have some questions out to PERS right now, but that will only strengthen the argument for disapproval. Please take a look at the folder PERS DOCS. One document is missing the second page (REALLY WISH WE HAD THIS), she is seeing if she can find it. She is also looking for his contract, but can't locate as of yet, so she sent me one from the same time period (ALSO, REALLY WISH WE HAD THIS)...basically I need these documents if I am going to reference them and right now they are incomplete.

-There are some protections on some of the PDFs so they need to be re-printed and scanned back in (REF A and REF B). I am attaching here as it seems to open more consistently when attached to email vice from the package folder location.

I am not certain how "hot" this is, but I can't get to office today as my hubby has a presentation this afternoon for a course he took this week, planning on going in on Monday. Wanted you to get eyes on so that once I re-scan in the documents (package clean up) it will be closer to push. As of right now I am assuming PERS won't be able to locate the documents, so I am deciding if/how I can use them (the "XOLL" would have been gold I think).

Anyways, this is a lot, so let me know what questions you have.

V/r,
(b) (6)

(b) (6)

PO1 USN DCNO N1 (USA)

From: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, August 17, 2020 9:46 AM
To: (b) (6) LCDR USN DCNO N1 (USA)
Subject: RE: [Non-DoD Source] Remission/Waiver request ICO LCDR (Ret) Ben Logan Anderson, USN
Attachments: 2018.6.28 7220.0704 - CORRECTION OF NUCLEAR OFFICER CONTINUATION PAY ICO LCDR BEN ANDERSON, USN, 1120.PDF; 2015.8.11 1540.1500 - REMOVAL OF NUCLEAR ADDITIONAL QUALIFICATION DESIGNATORS ICO LCDR Ben L. Anderson, USN, 1120.pdf
Signed By: (b) (6)

(b) (6)

Attached documents from TAB B of request shows for debt.

V/r,

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, August 17, 2020 9:36 AM
To: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Subject: FW: [Non-DoD Source] Remission/Waiver request ICO LCDR (Ret) Ben Logan Anderson, USN

(b) (6)

I looked through the documents on the share drive and couldn't really figure out why a debt was placed on him...do you have that answer?

V/r,

(b) (6)

From: (b) (6) CAPT USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, August 17, 2020 9:36 AM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) CDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: [Non-DoD Source] Remission/Waiver request ICO LCDR (Ret) Ben Logan Anderson, USN

LCDR (b) (6)

CDR (b) (6) will be able to assist you.

Thanks.

r/ (b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, August 17, 2020 8:41 AM
To: ALTN_N133Group <NXAG_N133Group@navy.mil>
Cc: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Subject: FW: [Non-DoD Source] Remission/Waiver request ICO LCDR (Ret) Ben Logan Anderson, USN

Nuke Shop,

We have received the below from an out of service Nuclear Officer (Ben Anderson).

As he has mentioned his legal rights, the legal team has stated that we are holding off on responding for now. Mr. (b) (6) (b) (6) has received the package and is working on his remission request, but I am curious who is the right person in your office to dig into his case a little deeper and provide some more details. He continues to mention he didn't receive a notification letter of his debt, but neglects to mention his misconduct (?) or the reason the debt was initiated in the first place.

Thank you for your assistance.

V/r,
LCDR (b) (6)

LCDR (b) (6) PHR
Head, Special and Incentive Pay Policy
Chief of Naval Operations (N130D)
Comm: (b) (6); DSN: 664-4893
Cell: (b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA)
Sent: Thursday, August 13, 2020 9:53 AM
To: 'Ben Anderson' <benlanderson@gmail.com>
Cc: (b) (6) (b) (6) CDR USN ASSTSECNAV MRA DC (USA) <(b) (6)>
(b) (6) CIV USN ASSTSECNAV MRA DC (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA)
(b) (6)
Subject: RE: [Non-DoD Source] Remission/Waiver request ICO LCDR (Ret) Ben Logan Anderson, USN

Mr. Anderson.

N130D is in receipt of your DD Form 2789. We will process your request in the order that it was received. Due to the volume of such requests and the coordination between multiple offices that is required for submission, please allow for a time delay as each entity requires time for review and recommendation.

V/r,
LCDR (b) (6)

LCDR (b) (6) PHR
Head, Special and Incentive Pay Policy
Chief of Naval Operations (N130D)

From: Ben Anderson <benlanderson@gmail.com>

Sent: Wednesday, August 12, 2020 7:50 PM

To: ALTN N130D <NXAG_N130D@navy.mil>; (b) (6) CIV USN COMNAVPERSCOM MIL TN (USA) <(b) (6)@navy.mil>; (b) (6) LCDR USN NAVPAYPERSSUPPCTR TN (USA) (b) (6)@navy.mil>

Cc: (b) (6) (b) (6) CDR USN ASSTSECNAV MRA DC (USA) (b) (6)@navy.mil>; (b) (6) CPO USN (USA) (b) (6)@navy.mil>; (b) (6) (b) (6)@mail.house.gov>; (b) (6) CIV USN ASSTSECNAV MRA DC (USA) <(b) (6)@navy.mil>

Subject: [Non-DoD Source] Remission/Waiver request ICO LCDR (Ret) Ben Logan Anderson, USN

N130D Team,

IAW the instructions provided by Chief (b) (6) and the affirmation by CDR (b) (6) that OPNAV 130D has received and has for action my request for a waiver/remission of indebtedness, and I am formally requesting an update as to its status. I have not CC'd RDML Jablon on this request, as I would like to allow this to be handled without having to draw him into this.

This case initiated with a violation of my Constitutional rights to due process, which was confirmed via the letter from DASN MR&A to Congressman Raskin which clearly stated I was only notified of the debt collection via my LES. This is contrary to the DOD FMR instructions which specifically require a formal letter of notification in this case. Further, GAO 19-63 which was released documents the current deficiencies in policy and provides recommendations to DoD on how to ensure that service member's Constitutional Rights to due process are observed.

To be more specific and so that you may review the matter yourself, the following is a summary of the Navy's violation:

Both the DASN's letter and your (b) (6) previous email confirm the fact that my right to due process was violated IAW DOD 7000.14-R, section 0204 (Due Process) which requires a letter as described in 0205. In 0303 (Collection of Debt from Active and Reserve Members), it reaffirms the requirement to adhere to the due process requirements of 0204. Section 030305 (Collections by Salary Offset Under 37 U.S.C. § 1007(c)) again affirms the right due to process and references (Due Process Requirements Under 37 U.S.C. § 1007).

Further, section 030306 (Collection by Salary Offset Under 5 U.S.C. § 5514) states " C. Due Process. The creditor agency to which the debt is owed must provide due process to the member and must certify due process was completed if the debt is submitted to the Defense Finance and Accounting Service (DFAS) for collection. For due process procedures, refer to Chapter 2." This was an opportunity for the Navy to correct the issue, but either failed to certify this contrary to the instruction or falsely/incorrectly certified this.

It is important to note, that the DASN's letter citing notification via LES originates from the following, which is clearly not applicable:

"In accordance with 5 U.S.C. § 5514, DCOs are not required to provide due process procedures prior to collecting overpayments of pay and allowances using routine intra-agency pay adjustments. To collect by routine adjustment, **the overpayment must have occurred within the four pay periods** preceding the adjustment, **or amount to \$50 or less**. Routine adjustments may be necessary due to an overpayment

attributable to clerical errors, administrative errors, delays in processing pay documents, or underdeduction of premiums, for example. The DCO must provide the debtor with written notice of the nature and amount of the adjustment, as well as a point of contact for questions regarding the adjustment. This information should be provided by the payday for the pay period in which the adjustment is processed, or as soon thereafter as practical. An appropriate notice on the LES meets the requirements for notification."

DFAS is currently garnishing my retired pay despite my request for documentation and contention of the debt (yet another violation), and my final sell back of my leave has not been released.

In closing, this matter has gone on for quite some time with little to no communication with me on the matter. I request that OPNAV N130 provide an update as to the status of the case within 72 hours of receipt of this email. Further, I request that a POC at OPNAV N130 be provided to expedite any requests for information or other administrative needs in order to get this resolved.

Best regards,

Ben Anderson

(b) (6)

PO1 USN DCNO N1 (USA)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Thursday, August 20, 2020 5:24 PM
To: (b) (6) LCDR USN DCNO N1 (USA)
Subject: RE: LCDR Anderson
Attachments: 2014.12.17 7220.2254 - NUCLEAR OFFICER CONTINUATION PAY ICO LT (b) (6)
(b) (6), USN, 1120.pdf
Signed By: (b) (6)

(b) (6)

I've attached an example contract from the same timeframe. And I will keep looking for those XOLL letters. It's might have been that we only sent them that one year. But it was a prior to screening board letter that was sent to the members to explain the board procedure.

V/r,
(b) (6)

Very respectfully,

LT (b) (6)
PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator
(b) (6)
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Thursday, August 20, 2020 3:17 PM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: LCDR Anderson

(b) (6)

We just spoke on the phone, thank you for your help with this deep dive!

V/r,
(b) (6)

LCDR (b) (6) PHR
Head, Special and Incentive Pay Policy
Chief of Naval Operations (N130D)
Comm: (b) (6); DSN: 664-4893
Cell: (b) (6)

(b) (6)

PO1 USN DCNO N1 (USA)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Friday, August 21, 2020 12:40 PM
To: (b) (6) LCDR USN DCNO N1 (USA)
Subject: RE: LCDR Anderson
Attachments: 2014.8.19 7220.1550 - NUCLEAR OFFICER CONTINUATION PAY ICO LCDR (b) (6)
(b) (6), USN, 1120.pdf
Signed By: (b) (6)

(b) (6)

The Nuclear Officer Continuation Pay (COPAY) is Nuc Officer COPAY. The reason that the contract I sent you was for \$150,000 vice LCDR Anderson's \$120,000 is that it was for 5 year vice the 4 years. I have attached another example contract acceptance letter for a \$30k rate for 4-years that totals \$120,000, like LCDR Anderson's contract. The 3rd paragraph talks about Annual Incentive Pay (AIP), but that would be different for LCDR Anderson so you can effectively just ignore it. It has no relevance to his case.

Also, NOIP is the overarching Nuclear Officer Incentive Pay (NOIP) that includes multiple types of bonuses that nuclear officers could be eligible. Contract money (COPAY) is just one of them. When an officer is screened "not cleared" for the next milestone (like Executive Officer), they lose eligibility for these bonuses (all NOIP types).

Timeline:

14 May 2014: His letter to PERS-42 applying for COPAY (Contract at \$30k/year for 4-years) – we don't have a copy of this. It would have been mailed in and then scanned in with the acceptance letter.

02 Jun 2014: COPAY acceptance letter from PERS-42 to member accepting his contract for 4-years at \$30k. (Don't have a copy saved but letter is 2014.6.2 7220.0915 - NUCLEAR OFFICER CONTINUATION PAY ICO LT Ben L. Anderson, USN, 1120)

29 May 2014: \$30,000 (First COPAY bonus) posted to his account (effective date 15 May 14)

31 Mar 2015: PERS-42 sends letter to LCDR Anderson explaining the upcoming XO/CO Screening Board and NOIP implications (2015.3.31 1300.0402 - FY 16 XOLL ICO ANDERSON BEN L)

05 May 2015: \$11,333.33 (Second COPAY bonus) posted to his account (effective date 15 May 15) This amount is a prorated amount for 15 May 15 – 30 Sep 15. Based on this member's record, PERS-42 must have known that he might not screen for Executive Officer at the board and prorated his payment rather than pay him the full \$30,000 and then recoup him on Oct 1st if he was not screened XO.

21 May 2015: XO/CO Screening Board Completed: As PERS-42 expected, LCDR Anderson did not screen for XO.

Therefore the loses eligibility for all NOIP bonuses effective 1 Oct 15. Because the payment on 5 May 15 was already prorated, he will not need to be recouped any money at this point.

11 Aug 2015: PERS-42 sends LCDR Anderson AQD removal letter outlining loss of nuclear AQDs and thus loss of NOIP eligibility based on screening XO "Not Cleared" (2015.8.11 1540.1500 - REMOVAL OF NUCLEAR ADDITIONAL QUALIFICATION DESIGNATORS ICO LCDR Ben L. Anderson, USN, 1120)

7 May 2016: DFAS erroneously posts another payment for the prorated amount of \$11,333.33. This payment should not have happened as he lost eligibility on 1 Oct 15.

7 May 2017: DFAS erroneously posts another payment for the prorated amount of \$11,333.33. This payment should not have happened as he lost eligibility on 1 Oct 15.

7 May 2018: DFAS erroneously posts another payment for the prorated amount of \$11,333.33. This payment should not have happened as he lost eligibility on 1 Oct 15.

28 Jun 2018: PERS-42 identifies erroneous DFAS payments and sends letter to member outlining the correction to the COPAY. (2018.6.28 7220.0704 - CORRECTION OF NUCLEAR OFFICER CONTINUATION PAY ICO LCDR BEN ANDERSON, USN, 1120)

2 Jul 2018: Posted a recoupment of \$33,999.99 to his account for the 2016, 2017, and 2018 payments erroneously received.

Hope this helps, but please let me know what other questions you have.

V/r,
(b) (6)

Very respectfully,

LT (b) (6)
PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator
(b) (6)
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Friday, August 21, 2020 8:22 AM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: RE: LCDR Anderson

(b) (6)

Thanks again, as I am looking at all of this I have a few questions that I am hoping you can help with.

The bonus that you sent me is for Nuclear Officer Continuation pay (150K), the bonus that LCDR Anderson took was for 30K (COPAY Bonus)....are those the same thing just different amounts?

On the attached letter it states he will be terminated from eligibility for NOIP—so I assume he didn't receive this. My understanding is that the pay that he continued to receive erroneously was COPAY at the 30K rate.

Are you able to provide a contract for the COPAY at the 30K rate?

Again, I sincerely appreciate your time and assistance with this matter.

V/r,
(b) (6)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Thursday, August 20, 2020 5:24 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: LCDR Anderson

(b) (6)

I've attached an example contract from the same timeframe. And I will keep looking for those XOLL letters. It's might have been that we only sent them that one year. But it was a prior to screening board letter that was sent to the members to explain the board procedure.

V/r,
(b) (6)

Very respectfully,

LT (b) (6)
PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator

(b) (6)

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>

Sent: Thursday, August 20, 2020 3:17 PM

To: (b) (6) LT USN (USA) <(b) (6)>

Subject: LCDR Anderson

(b) (6)

We just spoke on the phone, thank you for your help with this deep dive!

V/r,

(b) (6)

LCDR (b) (6) PHR
Head, Special and Incentive Pay Policy
Chief of Naval Operations (N130D)
Comm: (b) (6); DSN: 664-4893
Cell: (b) (6)

(b) (6)

PO1 USN DCNO N1 (USA)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Friday, August 21, 2020 2:21 PM
To: (b) (6) LCDR USN DCNO N1 (USA)
Subject: RE: LCDR Anderson
Attachments: LT Ben Anderson COBO Payments.pdf
Signed By: (b) (6)

(b) (6)

No worries. The para 1b just justifies why LCDR Anderson was only paid \$11,333.33 rather than the full \$30,000. The wording is poor though, and it makes it seem like PERS-42 would be recouping the \$18,666.67 rather than what actually happened, which is that they prorated the payment before it was paid.

V/r,
(b) (6)

Very respectfully,

LT (b) (6)
PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator
(b) (6)
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Friday, August 21, 2020 12:59 PM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: RE: LCDR Anderson

(b) (6)

Based on the below timeline, which is AMAZING, can you help me understand paragraph b of that attached letter.

If it was pro-rated and you state nothing should be recouped, why does this document state ~18K?
I have to be missing something...

Thank you!

V/r,
(b) (6)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Friday, August 21, 2020 12:40 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: LCDR Anderson

(b) (6)

The Nuclear Officer Continuation Pay (COPAY) is Nuc Officer COPAY. The reason that the contract I sent you was for \$150,000 vice LCDR Anderson's \$120,000 is that it was for 5 year vice the 4 years. I have attached another example

contract acceptance letter for a \$30k rate for 4-years that totals \$120,000, like LCDR Anderson's contract. The 3rd paragraph talks about Annual Incentive Pay (AIP), but that would be different for LCDR Anderson so you can effectively just ignore it. It has no relevance to his case.

Also, NOIP is the overarching Nuclear Officer Incentive Pay (NOIP) that includes multiple types of bonuses that nuclear officers could be eligible. Contract money (COPAY) is just one of them. When an officer is screened "not cleared" for the next milestone (like Executive Officer), they lose eligibility for these bonuses (all NOIP types).

Timeline:

14 May 2014: His letter to PERS-42 applying for COPAY (Contract at \$30k/year for 4-years) – we don't have a copy of this. It would have been mailed in and then scanned in with the acceptance letter.

02 Jun 2014: COPAY acceptance letter from PERS-42 to member accepting his contract for 4-years at \$30k. (Don't have a copy saved but letter is 2014.6.2 7220.0915 - NUCLEAR OFFICER CONTINUATION PAY ICO LT Ben L. Anderson, USN, 1120)

29 May 2014: \$30,000 (First COPAY bonus) posted to his account (effective date 15 May 14)

31 Mar 2015: PERS-42 sends letter to LCDR Anderson explaining the upcoming XO/CO Screening Board and NOIP implications (2015.3.31 1300.0402 - FY 16 XOLL ICO ANDERSON BEN L)

05 May 2015: \$11,333.33 (Second COPAY bonus) posted to his account (effective date 15 May 15) This amount is a prorated amount for 15 May 15 – 30 Sep 15. Based on this member's record, PERS-42 must have known that he might not screen for Executive Officer at the board and prorated his payment rather than pay him the full \$30,000 and then recoup him on Oct 1st if he was not screened XO.

21 May 2015: XO/CO Screening Board Completed: As PERS-42 expected, LCDR Anderson did not screen for XO. Therefore the loses eligibility for all NOIP bonuses effective 1 Oct 15. Because the payment on 5 May 15 was already prorated, he will not need to be recouped any money at this point.

11 Aug 2015: PERS-42 sends LCDR Anderson AQD removal letter outlining loss of nuclear AQDs and thus loss of NOIP eligibility based on screening XO "Not Cleared" (2015.8.11 1540.1500 - REMOVAL OF NUCLEAR ADDITIONAL QUALIFICATION DESIGNATORS ICO LCDR Ben L. Anderson, USN, 1120)

7 May 2016: DFAS erroneously posts another payment for the prorated amount of \$11,333.33. This payment should not have happened as he lost eligibility on 1 Oct 15.

7 May 2017: DFAS erroneously posts another payment for the prorated amount of \$11,333.33. This payment should not have happened as he lost eligibility on 1 Oct 15.

7 May 2018: DFAS erroneously posts another payment for the prorated amount of \$11,333.33. This payment should not have happened as he lost eligibility on 1 Oct 15.

28 Jun 2018: PERS-42 identifies erroneous DFAS payments and sends letter to member outlining the correction to the COPAY. (2018.6.28 7220.0704 - CORRECTION OF NUCLEAR OFFICER CONTINUATION PAY ICO LCDR BEN ANDERSON, USN, 1120)

2 Jul 2018: Posted a recoupment of \$33,999.99 to his account for the 2016, 2017, and 2018 payments erroneously received.

Hope this helps, but please let me know what other questions you have.

V/r,

(b) (6)

Very respectfully,

LT (b) (6)

PERS-42MP NOBIP/SUBPAY Manager

Resignations/Retirements Coordinator

(b) (6)

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Friday, August 21, 2020 8:22 AM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: RE: LCDR Anderson

(b) (6)

Thanks again, as I am looking at all of this I have a few questions that I am hoping you can help with.

The bonus that you sent me is for Nuclear Officer Continuation pay (150K), the bonus that LCDR Anderson took was for 30K (COPAY Bonus)...are those the same thing just different amounts?

On the attached letter it states he will be terminated from eligibility for NOIP—so I assume he didn't receive this. My understanding is that the pay that he continued to receive erroneously was COPAY at the 30K rate.

Are you able to provide a contract for the COPAY at the 30K rate?

Again, I sincerely appreciate your time and assistance with this matter.

V/r,
(b) (6)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Thursday, August 20, 2020 5:24 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: LCDR Anderson

(b) (6)

I've attached an example contract from the same timeframe. And I will keep looking for those XOLL letters. It's might have been that we only sent them that one year. But it was a prior to screening board letter that was sent to the members to explain the board procedure.

V/r,
(b) (6)

Very respectfully,

LT (b) (6)
PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator
(b) (6)
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Thursday, August 20, 2020 3:17 PM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: LCDR Anderson

(b) (6)

We just spoke on the phone, thank you for your help with this deep dive!

V/r,

(b) (6)

LCDR (b) (6) PHR

Head, Special and Incentive Pay Policy

Chief of Naval Operations (N130D)

Comm: (b) (6); DSN: 664-4893

Cell: (b) (6)

(b) (6) PO1 USN DCNO N1 (USA)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Monday, October 26, 2020 3:19 PM
To: (b) (6) LCDR USN DCNO N1 (USA)
Cc: (b) (6) CIV USN DCNO N1 (USA)
Subject: RE: LCDR Anderson
Signed By: (b) (6)

(b) (6)

No, I don't have an example for you. It looks like the XOLL (Executive Officer Last Look) letters were only sent out that year. We now just send out the fact sheet and the detailer reaches out to the member to discuss implications of the members last look.

Please let me know if you have any questions or if you need any more documentation.

V/r,

(b) (6)

Very respectfully,

LT (b) (6)
PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator

(b) (6)

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, October 26, 2020 9:16 AM
To: (b) (6) LT USN (USA) <(b) (6)>
Cc: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Subject: RE: LCDR Anderson

Hey (b) (6)

Sorry to ping on this again, but seeking a "no we don't have that" or "found something that will suffice"

Ultimately the package is being held right now to see if that document can be obtained.

Thanks again!

V/r,

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA)
Sent: Friday, October 23, 2020 11:23 AM
To: (b) (6) LT USN (USA) <(b) (6)>
Cc: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Subject: RE: LCDR Anderson

Hey (b) (6)

Long time, no talk! You helped me awhile back in obtaining some documents for a remission package we are working. It is for LCDR Ben Anderson and it is with CNP for review.

I am seeing if you are able to help with one more item (I hope this is the last deep dive)...I know you were digging up documents the last time we spoke and maybe were unable to find, but it is requested to provide an example pay implication, listed as an enclosure in the attached reference (last paragraph mentions it)

Please let me know, I appreciate it!

V/r,
(b) (6)

LCDR (b) (6) PHR
Head, Special and Incentive Pay Policy
Chief of Naval Operations (N130D)
Comm: (b) (6); DSN: 664-4893
Cell: (b) (6)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Thursday, August 20, 2020 5:24 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: LCDR Anderson

(b) (6)

I've attached an example contract from the same timeframe. And I will keep looking for those XOLL letters. It's might have been that we only sent them that one year. But it was a prior to screening board letter that was sent to the members to explain the board procedure.

V/r,
(b) (6)

Very respectfully,

LT (b) (6)
PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator
(b) (6)
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Thursday, August 20, 2020 3:17 PM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: LCDR Anderson

(b) (6)

We just spoke on the phone, thank you for your help with this deep dive!

V/r,

(b) (6)

LCDR (b) (6) PHR

Head, Special and Incentive Pay Policy

Chief of Naval Operations (N130D)

Comm: (b) (6); DSN: 664-4893

Cell: (b) (6)

(b) (6)

PO1 USN DCNO N1 (USA)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Tuesday, October 27, 2020 9:34 AM
To: (b) (6) LCDR USN DCNO N1 (USA)
Subject: RE: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson
Attachments: Not Cleared Fact Sheet.doc; COSSXOSS Fact Sheet from 421D.doc
Signed By: (b) (6)

(b) (6)

Sorry, for the back and forth. I think he is talking about these, which luckily I do have.
Please let me know if there is anything else.

V/r,
(b) (6)

Very respectfully,

LT (b) (6)
PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator
(b) (6)
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Tuesday, October 27, 2020 6:02 AM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: RE: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

Ok, I see the second page of the XOLL letter....but what he is seeking are the enclosures listed at the bottom:

"Submarine Support" fact sheet
"not cleared" fact sheet

Are you able to find those? Again, thank you!

V/r,
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA)
Sent: Tuesday, October 27, 2020 6:44 AM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: RE: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

That's what he said....he basically said "I know this exists..."

I appreciate it! Sorry for the hassle, I know you've already spent far too long on this.

V/r,

(b) (6)

From: (b) (6) LT USN (USA) <(b) (6)>
Sent: Monday, October 26, 2020 5:17 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

(b) (6)

I was able to find the second page for the XOLL letter (it's the PDF labeled "402 to 463"). It was saved in a weird way that is unimportant, but the second page is attached. The reason that ADM Jablon knows so much about these is that he was the head of my office during this time frame.

Also attached is the 2015.8.11 1540.1500 - REMOVAL OF NUCLEAR ADDITIONAL QUALIFICATION DESIGNATORS and the 2018.6.28 7220.0704 - CORRECTION OF NUCLEAR OFFICER CONTINUATION PAY ICO LCDR BEN ANDERSON.

I still wasn't able to find the contract acceptance letter from 2014.

V/r,

(b) (6)

Very respectfully,

LT (b) (6)

PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator

(b) (6)

(b) (6)

From: (b) (6) LT USN (USA)
Sent: Monday, October 26, 2020 3:53 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

(b) (6)

I only relooked for the XOLL letter. I will look again for his contract right now.

V/r,

(b) (6)

Very respectfully,

LT (b) (6)

PERS-42MP NOBIP/SUBPAY Manager
Resignations/Retirements Coordinator

(b) (6)

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, October 26, 2020 3:29 PM
To: (b) (6) LT USN (USA) <(b) (6)>
Subject: FW: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

(b) (6)

ADM Jablon (a submariner) is convinced you all have something. Can you read the below and see if you are able to come up with something?

V/r,
(b) (6)

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, October 26, 2020 3:42 PM
To: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

(b) (6)

Last week ADM Jablon asked us to obtain an example pay implication to include in LCDR Anderson's remission package. PERS does not have an example to provide as the XOLL (Executive Officer Last Look) letters were only sent out that year. They now send a fact sheet and the detailer reaches out to discuss implications.

Reference B in the package states the pay implications as a result of his failure to screen (and AQD removal).

The reason we included an example contract (REF D) from that time period is because PERS couldn't locate LCDR Anderson's contract/enclosures. We determined providing a peer contract from that same time period was the best way to show that LCDR Anderson was informed and made aware of the pay implications. Pg 2 of that reference is highlighted and attached here.

I believe both of those references outline the pay implications as he requested. Standing by, sir.

V/r,
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA)
Sent: Friday, October 23, 2020 11:11 AM
To: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: FW: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

(b) (6)

I will loop back with my PERS contact who helped me with the obtaining the other documents for this package and see what she can provide.

V/r,
(b) (6)

From: Jablon, Jeffrey T RADM USN DCNO N1 (USA) (b) (6) @navy.mil>
Sent: Friday, October 23, 2020 11:03 AM
To: (b) (6) LT USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)> (b) (6) CAPT USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: RE: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

(b) (6)

Buckslip signed and saved. However, please obtain an example pay implication enclosure referenced in Ref A and include in the package as Ref A1.

We have the cover sheet for LCDR Anderson, but the enclosures are missing. I just want to include an example pay implication enclosure (PERS-42 will have) which is boilerplate.

V/r,
Jeff

RADM Jeff Jablon
Director, Military Personnel Plans and Policy (OPNAV N13)

W: (b) (6)
C: (b) (6)

From: (b) (6) LT USN DCNO N1 (USA) <(b) (6)>
Sent: Thursday, October 22, 2020 8:01 AM
To: Jablon, Jeffrey T RADM USN DCNO N1 (USA) (b) (6) @navy.mil>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>

<(b) (6)> (b) (6) CAPT USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR
USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN DCNO N1 (USA) <(b) (6)>
Subject: READY FOR N13: Remission TASKER 2020-N130-493 ICO LCDR Anderson

Admiral

Package is ready for your review.

A couple of notes:

- Page 2 of Ref A is missing and cannot be located.
- Legal's comments were to ensure Ref D name was redacted (example)

\\naeawnydfs101v.nadsusea.nads.navy.mil\CS022\$\BUPERS_ALT_N45997_N13\N13 Admin\N13 EA\CURRENT N13
TASKS\N130-493

Very respectfully,

LT (b) (6)
Executive Assistant to RADM Jeff T. Jablon
Military Personnel Plans and Policy (N13)
o. (b) (6) | DSN. 664

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AND CRIMINAL PENALTIES.

From: (b) (6) CAPT USN DCNO N1 (USA) <(b) (6)>
Sent: Wednesday, October 21, 2020 7:06 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN DCNO N1 (USA)
<(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO
N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
(b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) PO1 USN DCNO N1 (USA)
<(b) (6)>
Subject: RE: READY FOR N13B: Remission TASKER 2020-N130-493 ICO LCDR Anderson

No questions. Reviewed and ready for N13 review and approval.

BT

(b) (6)

Just make sure he knows we do not have page 2 for reference A.

V/r,

(b) (6)

CAPT (b) (6)
Deputy Director, Military Personnel Plans and Policy (OPNAV N13B)
Work: (b) (6)
Cell: (b) (6)
(b) (6)
(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Wednesday, October 21, 2020 7:04 PM
To: (b) (6) CAPT USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>
Subject: RE: READY FOR N13B: Remission TASKER 2020-N130-493 ICO LCDR Anderson

Deputy,

1. The folks who gave us REF A could not find the second page (we asked).
2. The Legal comment was reminding N130 to redact the name of the other Sailor in the Example we used at Ref D.

Let us know if you need anything else.

Thanks &

V/r,

CDR (b) (6)

OPNAV N130B

Deputy Branch Head, Military Pay & Compensation

Cell: (b) (6)

From: (b) (6) CAPT USN DCNO N1 (USA) <(b) (6)>
Sent: Wednesday, October 21, 2020 6:32 PM
To: (b) (6) LT USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>
Subject: RE: READY FOR N13B: Remission TASKER 2020-N130-493 ICO LCDR Anderson

All,

- Is there supposed to be a second page to Reference A?
- N00L concurred with comment...what were the comments?

V/r,

Brian

CAPT (b) (6)

Deputy Director, Military Personnel Plans and Policy (OPNAV N13B)

Work: (b) (6)

Cell: (b) (6)

(b) (6)

(b) (6)

From: (b) (6) LT USN DCNO N1 (USA) <(b) (6)>

Sent: Tuesday, October 20, 2020 11:24 AM

To: (b) (6) CAPT USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO
N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
(b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA)
<(b) (6)> (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN
DCNO N1 (USA) <(b) (6)>
Subject: READY FOR N13B: Remission TASKER 2020-N130-493 ICO LCDR Anderson

Deputy. Tasker ready for your review.

\\naeawnydfs101v.nadsusea.nads.navy.mil\CS022\$\BUPERS_ALT_N45997_N13\N13 Admin\N13 EA\CURRENT N13
TASKS\N130-493

Very respectfully,

LT (b) (6)
Executive Assistant to RADM Jeff T. Jablon
Military Personnel Plans and Policy (N13)
o. (b) (6) | DSN. 664

FOR OFFICIAL USE ONLY - PRIVACY SENSITIVE. ANY MISUSE OR UNAUTHORIZED DISCLOSURE MAY RESULT IN BOTH CIVIL
AND CRIMINAL PENALTIES.

From: (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>
Sent: Tuesday, October 20, 2020 10:28 AM
To: (b) (6) LT USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO
N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
(b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA)
<(b) (6)>
Subject: (REWORK) Remission TASKER 2020-N130-493 ICO LCDR Anderson

Sir,

Rework Completed. Tasker is ready for your review/approval.

\\naeawnydfs101v.nadsusea.nads.navy.mil\CS022\$\BUPERS_ALT_N45997_N13\N13 Admin\N13
EA\CURRENT N13 TASKS\N130-493

Very respectfully,
YN1(SW/AW) (b) (6)
Military Personnel Plans and Policy (OPNAV N13)
Naval Support Facility Arlington
701 South Courthouse Road
Arlington, VA 22204
Comm: (b) (6)
Cell: (b) (6)
DSN: 664-5562

"Life has a way of testing a persons will, either by having nothing happen at all or by having everything happen at
once"

- Paulo Coelho (The Winner Stands Alone)



~ FORGED FROM THE SEA ~

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From: (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)>
Sent: Tuesday, October 20, 2020 9:17 AM
To: (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN DCNO N1 (USA) <(b) (6)>
Subject: RE: (REWORK) Ready for N13's Review: Remission TASKER 2020-N130-493 ICO LCDR Anderson

YN1,

The subject line tasker is ready for your review in the sharedrive link below. The new documents have been updated. Thank you.

\\naeawnydfs101v.nadsusea.nads.navy.mil\CS022\$\BUPERS_ALT_N45997_N13\N13 Admin\N13 EA\CURRENT N13 TASKS\N130-493

Very Respectfully,
YN2(SW/AW) (b) (6)
OPNAV N13M
701 South Courthouse RD
Bldg 12 Room 3J080
Arlington, VA 22204

TEL: (b) (6)
Cell: (b) (6)
EMAIL: (b) (6)

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From: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Sent: Monday, October 19, 2020 7:23 AM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: FW: (REWORK) Ready for N13's Review: Remission TASKER 2020-N130-493 ICO LCDR Anderson

ALL,

Attached is updated TAB A and TAB G, as requested.

Updated buck slip and action memo remain attached.

V/r,

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Friday, October 16, 2020 10:07 AM
To: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Subject: FW: (REWORK) Ready for N13's Review: Remission TASKER 2020-N130-493 ICO LCDR Anderson

(b) (6)

Can you look at the below and update as appropriate. I think Mr. Anderson is fine as he is out of service. Send back to (b) (6) and team once complete. Let me know if you have any questions.

Thank you!

V/r,

(b) (6)

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Thursday, October 15, 2020 9:43 PM
To: (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: (REWORK) Ready for N13's Review: Remission TASKER 2020-N130-493 ICO LCDR Anderson

N130,

REWORK

1. Add ASN to the coordination page

2. TAB A – should he be coordinating with DFAS OOS? Is he still in the Navy? Should we say, Then-LCDR or Mr. Anderson?

Updated buckslip and action memo are attached.

V/r
LCDR (b) (6)

From: (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>
Sent: Thursday, October 15, 2020 2:31 PM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)> (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Subject: Ready for N13's Review: Remission TASKER 2020-N130-493 ICO LCDR Anderson

Sir,

Reviewed by Mr. (b) (6), OPNAV N13. Tasker is ready for your review/approval.

\\naeawnydfs101v.nadsusea.nads.navy.mil\CS022\$\BUPERS_ALT_N45997_N13\N13 Admin\N13 EA\CURRENT N13 TASKS\N130-493

Very respectfully,
YN1(SW/AW) (b) (6)
Military Personnel Plans and Policy (OPNAV N13)
Naval Support Facility Arlington
701 South Courthouse Road
Arlington, VA 22204
Comm: (b) (6)
Cell: (b) (6)
DSN: 664-5562

"Life has a way of testing a persons will, either by having nothing happen at all or by having everything happen at once"

- Paulo Coelho (The Winner Stands Alone)

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~ FORGED FROM THE SEA ~

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result in both civil and criminal penalties. If you have received this communication in error, please notify me immediately by e-mail and delete the original message.

From: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Sent: Wednesday, October 14, 2020 11:03 AM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN DCNO N1 (USA) <(b) (6)> (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)> (b) (6) PO2 USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: FW: Remission TASKER 2020-N130-493 ICO LCDR Anderson

+ YN2 (b) (6)

From: (b) (6) CIV USN DCNO N1 (USA) <(b) (6)>
Sent: Wednesday, October 14, 2020 10:49 AM
To: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) LT USN DCNO N1 (USA) <(b) (6)> (b) (6) PO1 USN DCNO N1 (USA) <(b) (6)>
Cc: (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)> (b) (6) LCDR USN DCNO N1 (USA) <(b) (6)>
Subject: Remission TASKER 2020-N130-493 ICO LCDR Anderson

LCDR (b) (6) /LT (b) (6) YN1 (b) (6)

TASKER 2020-N130-493 is ready for your review.

Very respectfully,

(b) (6)
OPNAV N130
Enlisted Bonus/SRB Recoupment Program Analyst
PSCS(SW), USN (Ret)
Chief of Naval Operation
701 S. Courthouse Rd
Arlington, VA 22204-2472
Email: nxag_n130d@navy.mil

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Ben L. Anderson
10307 Snowpine Way
Potomac, MD 20854

(b) (6)
(b) (6)

21 April 2020

Subject: WAIVER OF INDEBTEDNESS

- 1.) In accordance with the attached documentation, I respectfully request a waiver/remission of my debt. This debt was the erroneous payment by NAVPERS of a partial Nuclear Officer Continuation Pay over a period of 3 years, totaling \$33,999.
- 2.) In accordance with the DODFMR and other various federal regulations, my rights were violated in the collection of this debt, as I was not offered the opportunity to question it, nor have it waived or remitted. I spent over 8 months attempting to have PSD Washington (at Joint Base Anacostia Boiling) address and resolve this issue with no results. I further filed an IG complaint at Naval District Washington, then with the Navy in order to get this resolved. Despite my rights clearly being violated and as evidenced by GAO 19-63 report, the Navy failed to take action again.
- 3.) The Navy has an obligation to follow the law, and it clearly did not in this case. It failed to inform me of my rights under the DODFMR and Title 10, it failed to allow me to question the claim prior to collection, it failed to allow me the opportunity to request a waiver or remittance. Further, as illustrated in the GAO report, the Navy is not in compliance with DoD regulations in order to have the appropriate instructions in place to ensure the proper handling of service members debt.
- 4.) I request that due to the violation of my rights and the unfairness of this situation, that the debt be waived due to the Navy's failure to follow DoD instructions, to include the refund of all the funds previously collected prior to my retirement from service and the completion of the payout of my leave that was sold back. If this is not possible, I request that the no further action be taken, and the remainder of the debt be waived, all collection action stop, and that no derogatory information be placed on my credit report.
- 5.) The additional attached documents show just a fraction of the efforts I spent in trying to get this matter addressed.

Very respectfully,

(b) (6)

Ben L. Anderson

4/21/2020

category. Your nuclear Additional Qualification Designator (AQDs) is what authorizes payment of Nuclear Officer Incentive Pay (NOIP) and allows Screened or Screened for XOSS officers to remain eligible for Continuous Submarine Duty Incentive Pay (CONSUBPAY). These rules are also outlined in the attached enclosures.

The Post-DH detailer will also detail officers "Not Cleared" for XO. One of the realities of screening to requirements is that some otherwise qualified officers will be unable to continue the typical career path. However, the Navy and Submarine Force need this vital cadre of officers to fill important billets.

Overall, superior performance at sea remains the key to successful screening. We strongly recommend that you review your record and make necessary corrections before the board convenes. You can review your record online at:

<https://www.bol.navy.mil/>.

The "Official Military Personnel File (OMPF)" option allows you to view every document in your record exactly as the board will see it. It is important to check your records for readability and correct FITREPs, etc. Although PERS-42 reviews every officer's record prior to the board, you are ultimately responsible for your record and its contents. Any corrections should be addressed to President FY16 Submarine CO/XO Screening Board (Board #350) and submitted to the Navy Personnel Command Customer Service Center. The most efficient method of submission is to scan your letter and email to:

cscselboard@navy.mil

Details on this submission process, including addresses and phone numbers, are available online at:

<http://www.public.navy.mil/bupers-npc/boards/Pages/default.aspx>

If you have any questions about the CO/XO screening process please call CDR (b) (6) at (b) (6) or LCDR (b) (6) at (b) (6).

(b) (6)

Director, Submarine/Nuclear
Power Distribution Control

Encl (1) "Submarine Support" Fact Sheet
Encl (2) "Not Cleared" Fact Sheet



DEPARTMENT OF THE NAVY

NAVY PERSONNEL COMMAND
5720 INTEGRITY DRIVE
MILLINGTON TN 38055-0000

7220
Ser 421D/1550
AUG 19 2014

From: Commander, Navy Personnel Command (PERS-42)
To: LCDR (b) (6) USN, 1120
Via: Commander, U.S. Pacific Fleet

Subj: NUCLEAR OFFICER CONTINUATION PAY

Ref: (a) Your ltr of application of 31 Jul 14
(b) OPNAVINST 7220.11D

1. Congratulations! I am pleased to inform you that your letter of application for Nuclear Officer Continuation Pay in reference (a) is hereby accepted. The four year service obligation incurred as a result of acceptance of your application shall run from 17 May 2014.

2. Provided you maintain your eligibility as required in reference (b), you shall be entitled to \$120,000.00 in continuation pay, payable in four equal installments of \$30,000.00. The first installment is authorized for payment on 17 May 2014 and annually thereafter.

3. You are also entitled to a partial AIB payment for the period of 1 October 2013 to 16 May 2014 in the amount of \$7,487.22. You will receive this payment on 30 September 2014.

4. Initial payment and all subsequent payments under this contract will be paid directly to your DDS account via Electronic Fund Transfer. Contact NAVPERSCOM code 421D at (b) (6) if there are any problems with payments under this contract.

5. If you have any other questions, please contact LT (b) (6) at (b) (6)

6. I wish you every success in your Navy career.

(b) (6)

By direction

31 JUL 2014

From: LCDR (b) (6) USN
To: Commander, Navy Personnel Command (PERS-42)
Via: Director, U.S. Pacific Fleet Plans and Policy
Subj: REQUEST FOR NUCLEAR OFFICER CONTINUATION PAY

Ref: (a) OPNAVINST 7220.11D
(b) 37 U.S.C. 333
(c) SECNAVINST 1920.6C

1. I have read and understand the provisions of reference (a), including all provisions relating to termination of payments to be made under this agreement and the circumstances under which recoupment by the Government of sums paid may be required, to which I agree. I hereby apply for the special pay authorized by reference (b).

2. Contingent upon acceptance of my application for this special pay, I agree not to tender a resignation for a period of 4 years beyond my existing service obligation, or for a period of 4 years beyond the date of acceptance of this request, whichever is later. I understand that, upon acceptance, this application is binding, and that thereupon I shall be eligible to receive \$30,000 per year for a 4-year agreement in special pay as described in reference (a).

3. I understand that, should I fail to screen for my next career milestone, refuse orders to a billet requiring nuclear qualifications, or otherwise lose eligibility for Nuclear Officer Continuation Pay for any of the reasons enumerated in subparagraphs 7f(1) or 7f(2) of reference (a), I will receive no further payments under this agreement, and may be required to repay the United States Government a portion of the money that I received in advance, subject to the provisions of subparagraph 7f of reference (a). I agree to repay any such amount in a timely manner in accordance with the provisions of reference (a).

YG: 02 hereby accept payment in 4 equal installments.

APTD: 2ND:

#P: ABCD: 120517

REC: NEW ANNV: 140517

CON TERM: 180517

NSI: N

23: FOR OFFICAL USE ONLY

26:

(b) (6)



DEPARTMENT OF THE NAVY

COMMANDER
UNITED STATES PACIFIC FLEET
250 MAKALAPA DRIVE
PEARL HARBOR, HAWAII 96860-3131

IN REPLY REFER TO:

7220
Ser N5/0766
31 Jul 14

FIRST ENDORSEMENT on (b) (6) USN, 1120 ltr of
31 JUL 2014

From: Commander U.S. Pacific Fleet (N5)
To: Commander, Navy Personnel Command (PERS-42)
Subj: REQUEST FOR NUCLEAR OFFICER CONTINUATION PAY

1. Forwarded, recommending approval.

(b) (6)

Senior Executive Service
Director, Plans and Policy, N5

Copy to:
LCDR (b) (6)



DEPARTMENT OF THE NAVY

NAVY PERSONNEL COMMAND
5720 INTEGRITY DRIVE
MILLINGTON TN 38055-0000

7220
Ser 421D/22521
DEC 17 2014

From: Commander, Navy Personnel Command (PERS-42)
To: LT (b) (6) USN, 1120
Via: Commanding Officer, USS ALBANY (SSN 753)

Subj: NUCLEAR OFFICER CONTINUATION PAY

Ref: (a) Your ltr of application of 20 Nov 14
(b) OPNAVINST 7220.11D

1. Congratulations! I am pleased to inform you that your letter of application for Nuclear Officer Continuation Pay in reference (a) is hereby accepted. The five year service obligation incurred as a result of acceptance of your application shall run from 20 November 2014.

2. Provided you maintain your eligibility as required in reference (b), you shall be entitled to \$150,000.00 in continuation pay, payable in five equal installments of \$30,000.00. The first installment is authorized for payment on 20 November 2014 and annually thereafter.

3. You are also entitled to a partial AIB payment for the period of 1 October 2014 to 19 November 2014 in the amount of \$1,701.39. You will receive this payment on 30 September 2015.

4. Initial payment and all subsequent payments under this contract will be paid directly to your DDS account via Electronic Fund Transfer. Contact NAVPERSCOM code 421D at (901) 874-3934 if there are any problems with payments under this contract.

5. If you have any other questions, please contact LT (b) (6) at (b) (6).

6. I wish you every success in your Navy career.

(b) (6)

By direction

20 Nov 14

From: LT (b) (6) USN, XXX-XX-(b) (6) 1120
To: Commander, Navy Personnel Command (PERS-42)
Via: Commanding Officer, USS ALBANY (SSN 753)

Subj: REQUEST FOR NUCLEAR OFFICER CONTINUATION PAY

Ref: (a) OPNAVINST 7220.11D
(b) 37 U.S.C. 333
(c) SECNAVINST 1920.6C

1. I have read and understand the provisions of reference (a), including all provisions relating to termination of payments to be made under this agreement and the circumstances under which recoupment by the Government of sums paid may be required, to which I agree. I hereby apply for the special pay authorized by reference (b).

2. Contingent upon acceptance of my application for this special pay, I agree not to tender a resignation for a period of 5 years beyond my existing service obligation, or for a period of 5 years beyond the date of acceptance of this request, whichever is later. I understand that, upon acceptance, this application is binding, and that thereupon I shall be eligible to receive \$30,000 per year for a 5 year agreement in special pay as described in reference (a).

3. I understand that, should I fail to screen for my next career milestone, refuse orders to a billet requiring nuclear qualifications, or otherwise lose eligibility for Nuclear Officer Continuation Pay for any of the reasons enumerated in subparagraphs 7f(1) or 7f(2) of reference (a), I will receive no further payments under this agreement, and may be required to repay the United States Government a portion of the money that I received in advance, subject to the provisions of subparagraph 7f of reference (a). I agree to repay any such amount in a timely manner in accordance with the provisions of reference

YG: 04^(a) 1st 14/1/20

APTD: 4. I hereby elect payment in 5 equal installments.

#P: ABCD: 040528

REC: NEW ANNU: 14/1/20

HI CON TERM: 19/1/19

NSI: L

23: _____

26: _____

(b) (6)



DEPARTMENT OF THE NAVY

COMMANDING OFFICER
USS ALBANY (SSN 753)
FPO AE 09564-2409

7220
Ser 753/186
20 Nov 14

FIRST ENDORSEMENT on LT (b) (6) USN,
XXX-XX-(b) (6) 1120 ltr of 20 Nov 14

From: Commanding Officer, USS ALBANY (SSN 753)
To: Chief of Naval Personnel (PERS 42)

Subj: REQUEST FOR NUCLEAR OFFICER CONTINUATION PAY

1. Forwarded, recommending approval.

(b) (6)

Copy to:

LT (b) (6)



DEPARTMENT OF THE NAVY
NAVY PERSONNEL COMMAND
5720 INTEGRITY DRIVE
MILLINGTON TN 38055-0000

1540
Ser 421N/1500

AUG 11 2015

From: Commander, Navy Personnel Command (PERS-42)
To: LCDR Ben L. Anderson, USN, 1120
Via: President, Naval War College, Newport

Subj: REMOVAL OF NUCLEAR ADDITIONAL QUALIFICATION DESIGNATORS

Ref: (a) BUPERSINST 1540.41D, Qualification and Assignment of
Personnel in the Naval Nuclear Propulsion Program
(b) OPNAVINST 7220.11E, Nuclear Officer Incentive Pay Program
(c) OPNAVINST 7220.15, Submarine Duty Incentive Pay Program

1. Your nuclear additional qualification designators (AQDs) will be removed due to being placed "Not Cleared" for Submarine Executive Officer. This letter provides formal notification of the change in your nuclear qualification status and outlines the pay implications of these changes. Effective 1 October 2015, the following actions will be taken in accordance with references (a), (b), and (c):

a. Your nuclear AQDs will be removed. You will no longer be qualified for supervision, operation, or maintenance of naval nuclear propulsion plants in accordance with reference (a).

b. Your eligibility for Nuclear Officer Incentive Pay (NOIP) will be terminated in accordance with reference (b). A portion of your 15 May 2015 Nuclear Officer Continuation Pay (COPAY) installment, \$18,666.67 (224 days, 1 October 2015 until 14 May 2016, at the \$30,000.00 rate), will be recouped.

c. Your eligibility for Continuous Submarine Duty Incentive Pay (CONSUBPAY) will be terminated in accordance with reference (c). You will remain eligible for Operational Submarine Duty Incentive Pay (OPSUBPAY).

2. A copy of this letter will be filed in your electronic record maintained by PERS-42.

3. Contact your Detailer, LCDR (b) (6), at (b) (6) with any questions.

(b) (6)

By direction

Copy to:
Director, Naval Nuclear Propulsion
DFAS Cleveland (FMA)



DEPARTMENT OF THE NAVY

NAVY PERSONNEL COMMAND
5720 INTEGRITY DRIVE
MILLINGTON TN 38055-0000

7220

Ser 42/0704

JUN 28 2018

From: Commander, Navy Personnel Command (PERS-42)
To: LCDR Ben Anderson, USN, 1120

Subj: CORRECTION OF NUCLEAR OFFICER CONTINUATION PAY
(COPAY)

Ref: (a) Commander, Navy Personnel Command ltr 7220 Ser 421D/0915 of
02 Jun 14
(b) Commander, Navy Personnel Command ltr 1540 Ser 421N/1500 of
11 Aug 15
(c) OPNAVINST 7220.11F

1. Following a review of your COPAY contract (reference (a)) and your pay history, the following discrepancies were found:

a. After your nuclear AQD removal outlined in reference (b), you were owed a last payment of \$11,333.33 as a partial payment in 2015.

b. DFAS continued to pay you \$11,333.33 annually for three years (2016-2018) in error.

2. PERS 42 has determined that you owe \$33,999.99 to the Department of the Navy. A debt will be placed on your account in this amount. You will need to contact your local PSD to set up a repayment plan.

3. If you have any additional information, or would like to discuss the matter further, please contact LT (b) (6) at (b) (6).

(b) (6)

WAIVER/REMISSION OF INDEBTEDNESS APPLICATION

(If more space is needed, continue on separate sheet(s). Identify each item by number.)

OMB No. 0730-0009
OMB approval expires
Nov 30, 2008

The public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Washington Headquarters Services, Executive Services Directorate, Information Management Division, 1155 Defense Pentagon, Washington, DC 20301-1155 (0730-0009). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION.

SEPARATED MILITARY OR FORMER CIVILIAN EMPLOYEES, RETURN COMPLETED FORM TO: DFAS-IN, DEPT. 3300 (WAIVER/REMISSION), 8899 EAST 56TH STREET, INDIANAPOLIS, IN 46249-3300.

ACTIVE DUTY MILITARY, GUARD/RESERVE, RETIRED OR ANNUITANT PAY RECIPIENTS, CIVILIAN EMPLOYEES, RETURN COMPLETED FORM TO THE ADDRESS LISTED ON THE DEBT NOTIFICATION LETTER FOR COMPLETION OF BACK SIDE.

AUTHORITY: E.O. 9397 (SSN).

PRIVACY ACT STATEMENT

PRINCIPAL PURPOSE: To be used by civilian employees (current, former, or retired) and military members (active, separated, or retired), and annuitants to request waiver of indebtedness collection for erroneous payments of salary or pay and allowances, and expense reimbursement or allowances for travel, transportation, and relocation; or in the case of enlisted members, remission of these debts.

ROUTINE USE(S): In addition to those disclosures generally permitted under 5 U.S.C. Section 552a of the PA, this information may be disclosed to the Department of Justice or to commercial credit agencies, whenever a financial status report is requested by the Department of Defense (DoD) for use in administering the Federal Claims Collection Act. It may also be disclosed for any of the blanket routine uses as published in the Federal Register at the beginning of the DFAS compilation of PA system notices.

DISCLOSURE: Disclosure is voluntary; however, failure to disclose the requested data, including your Social Security Number, may prevent consideration of the claim.

1. TYPE OF CLAIM (X one)

☐ WAIVER

☒ REMISSION

Authority for granting waiver: Active/Retired Military - 10 U.S.C. 2774; National Guard - 32 U.S.C. 716; Civilian - 5 U.S.C. 5584;

Annuitant - 10 U.S.C. 1442/1453. Remission: Army - 10 U.S.C. 4837; Navy - 10 U.S.C. 6161; Air Force - 10 U.S.C. 9837

Note: Remission generally is applicable for active duty enlisted personnel only, see DoDFMR, Volume 7A.

SECTION I - CIVILIAN/MILITARY/RETIREE/ANNUITANT INFORMATION

2. NAME (Last, First, Middle Initial)

Anderson, Ben L.

3. RANK/GRADE

LCDR/O4

4. SOCIAL SECURITY NUMBER

(b) (6)

5. AGENCY/SERVICE

☐ ARMY ☐ OTHER (Specify)

☒ NAVY

☐ AIR FORCE

☐ MARINE CORPS

6. STATUS (X applicable block and provide date (YYYYMMDD) for end of enlistment period (EOE), retirement (DOR), separation (DOS), or service computation date (SCD), as appropriate.)

☐ ACTIVE

EOE:

☐ GUARD/RESERVE

EOE:

☒ RETIRED

DOR: 20201131

☐ SEPARATED

DOS:

☐ DOD CIVILIAN

SCD:

☐ ANNUITANT

7. CURRENT COMPLETE MAILING ADDRESS (Street, City, State, ZIP Code)

10307 Snowpine Way,
Potomac, MD 20854

8. PLACE OF ASSIGNMENT OR EMPLOYMENT

9. TELEPHONE (Include DSN or area code)

a. WORK

b. HOME (b) (6)

c. E-MAIL ADDRESS:

(b) (6)

10. TYPE OF DEBT OR PAY AND ALLOWANCE ERRONEOUSLY PAID

Partial Nuclear Officer Continuation Pay over 3 years

11. GROSS DEBT AMOUNT

33,999.00

12. STATE THE DATE AND HOW YOU FIRST BECAME AWARE OF DEBT OR ERRONEOUS PAYMENT. (Attach notification, if available.)

Upon call from PERS-42 informing me of the debt, and that PSD would contact me about collection.

13. IF YOU WERE AWARE OF DEBT OR ERRONEOUS PAYMENT, EXPLAIN THE ACTIONS YOU TOOK TO CORRECT SITUATION.

When it was first received, I asked the chain of command what to do, and was informed that "if it is wrong, it will get sorted out." At that point, I assumed I was entitled to it due to the job I had as N973B Undersea Warfare Manpower Analyst.

14. REASON FOR REQUESTING WAIVER/REMISSION AND WHY YOU FEEL IT SHOULD BE APPROVED (Financial hardship applies ONLY to REMISSION and if claimed, a financial statement must be attached.)

Request remission of debt, as the overpayment was done over years, despite my informing my chain of command at the time. Further, collection of the debt was done in violation of my rights as outlined in multiple emails with NDW IG, Navy IG, NAVPERS IG.

15. FOR ANNUITANTS, PROVIDE NAME, SSN AND DATE DECEASED OF MILITARY MEMBER/SPONSOR.

N/A

16. ATTACH COPIES OF ALL PERTINENT DOCUMENTS (Such as Request for BAH, Statement of Service, Separation Worksheet, DD Form 214, Travel Voucher, Notification of Personnel Action). (If not available, please explain.)

See attached

17.a. IF MILITARY OR CIVILIAN, DID YOU RECEIVE LEAVE AND EARNINGS STATEMENT(S)?

☒ YES

☐ NO

b. IF MILITARY OR CIVILIAN, DID YOU REQUEST THEM ON EMSS/MYPAY?

☒ YES

☐ NO

c. IF RETIREE OR ANNUITANT, DID YOU RECEIVE AN ACCOUNT STATEMENT?

☐ YES

☐ NO

d. IF RETIREE OR ANNUITANT, DID YOU REVIEW THEM?

☐ YES

☐ NO

(If answer to a. or c. is Yes, attach a copy of statement covering before, during, and after period. If No, explain why.)

18. HAVE YOU FILED FOR A CORRECTION OF MILITARY RECORDS?

☐ YES

☒ NO

19. I certify the above statements are true and correct to the best of my knowledge. The information presented may be referred to the appropriate investigating office for verification. I understand the penalty for a false claim is a maximum fine of \$10,000 or a maximum imprisonment of 5 years, or both.

a. SIGNATURE

/s/ Ben Logan Anderson

b. JOB TITLE/CAREER FIELD

c. DATE SIGNED

20200421

20. COMMANDER'S ENDORSEMENT (Required for Navy active duty and reserves, others optional. Use separate sheet of paper if needed.)				
21. RECOMMENDATION:		APPROVE	PARTIAL \$	DENY
22a. COMMANDER'S SIGNATURE		b. DATE SIGNED		
SECTION II - REPORT OF INVESTIGATION				
To be completed and signed by appropriate payroll/travel office. (Not applicable for retirees, annuitants, or out-of-service military members.)				
23. INFORMATION ON DEBT OR ERRONEOUS PAYMENT(S)				
a. GROSS DEBT AMOUNT		b. TYPE(S) OF PAYMENT(S)		c. DATE(S) OF PAYMENT(S)
d. (X and complete as applicable)		YES		NO
(1) HAS THE DEBT BEEN VALIDATED?				
(2) HAS THE DEBT BEEN POSTED TO THE DEBTOR'S RECORDS?				
(3) REMISSION: HAS THE COLLECTION ACTION BEEN SUSPENDED?				
(4) WAIVER: HAS FINANCE OFFICE SUSPENDED COLLECTION IAW DODFMR, VOL. 5, CH. 31?				
				(5) DATE THE DEBT WAS DISCOVERED
				(6) NAVY ONLY: AMOUNT UNCOLLECTED AS OF DATE OF THE COMMANDER'S SIGNATURE:
				\$
24. A DEBT COMPUTATION MUST ACCOMPANY THIS APPLICATION. It must include dates of erroneous payments, what was paid (broken down by entitlements), what should have been paid, and the difference. The total debt must equal the debt posted to the debtor's record. Indicate any entitlements or credits used to offset the debt. This application will be returned without action unless the computation is included.				
a. ENTITLEMENT	b. DATE(S)	c. WAS PAID	d. SHOULD HAVE BEEN PAID	e. DIFFERENCE
				0.00
				0.00
				0.00
				0.00
25. DETAILED STATEMENT OF HOW AND WHY ERROR OCCURRED.				
26. IS THERE ANY INDICATION OF FRAUD, MISREPRESENTATION, FAULT, OR LACK OF GOOD FAITH ON THE PART OF THE CLAIMANT?				
<input type="checkbox"/> YES (Explain)		<input type="checkbox"/> NO		
27. STATEMENT AS TO WHETHER OR NOT THE CLAIMANT KNEW OR SHOULD HAVE BEEN AWARE OF RECEIVING AN ERRONEOUS PAYMENT. (Furnish facts and circumstances to support answer, state whether claimant received documents, and provide copies, if available. Use a separate sheet of paper if additional space is required.)				
28. REMARKS (Attach a separate sheet of paper, if needed.)				
29. RECOMMENDATION:		APPROVE	PARTIAL \$	DENY
30. DESIGNATED FINANCIAL AGENT				
a. SIGNATURE		b. TITLE		c. DATE SIGNED
31a. COMPLETE UNIT MAILING ADDRESS		b. POINT OF CONTACT NAME		
		c. TELEPHONE (DSN)		d. FAX NUMBER
e. ADSN/DSSN/UIC		f. E-MAIL ADDRESS		



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(MANPOWER AND RESERVE AFFAIRS)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

MAR 03 2021

Mr. Ben L. Anderson
10307 Snowpine Way
Potomac, MD 20854

Dear Mr. Anderson,

Thank you for your application and letter of April 21, 2020 seeking a remission of indebtedness of your Nuclear Officer Continuation Pay. Your letter was forwarded to me as a matter under my cognizance.

After carefully reviewing the circumstances of your particular case and in line with Section 8271 of Title 10, United States Code, I cannot support your request for a remission of indebtedness. While I applaud you for your service to the Navy, I regrettably deny your request for an exception to the requirement of repaying bonus payments made to you in error. You are required to pay the full debt amount of \$33,999.99.

I know you have been in contact with my office and they requested additional financial documents to better adjudicate your case. If you have additional financial documents you would like to provide to support your case, please send an updated remission of indebtedness package to Chief of Naval Operations by either mail or email.

Chief of Naval Operations
Head, Military Pay and Compensation Branch (N130)
701 South Courthouse Road
Arlington, VA 22204
Nxag_N130D@navy.mil

I realize this is not the answer you were hoping for. Please note that recoupment is not intended as any sort of penalty or punishment, it is simply the government recouping taxpayer dollars erroneously provided to you but to which you were not entitled. I encourage you to negotiate with the Defense Finance and Accounting Service (DFAS) out of service debt office to gain the most favorable terms for repayment appropriate to your current financial circumstances.

Sincerely,

(b) (6)

Russell W. Beland
Deputy Assistant Secretary of the Navy
(Military Manpower and Personnel)

Copy to:
OPNAV (N130)
DFAS

Fwd: Successful transmission to 18664015849. Re: Debt Waiver/Remission for LCDR Ben L. Anderson

3 messages

(b) (6)

Tue, Apr 21, 2020 at 1:36 PM

To: Ben Anderson <ben.anderson@tpiefficiency.com>

There are 2 of these, both sent successfully!

----- Forwarded message -----

From: <send@mail.efax.com>

Date: Tue, Apr 21, 2020 at 1:35 PM

Subject: Successful transmission to 18664015849. Re: Debt Waiver/Remission for LCDR Ben L. Anderson

To: (b) (6)



Your fax was successfully sent to 18664015849 by eFax.

Fax Details**Date:** 2020-04-21 17:35:43 (GMT)**Number of Pages:** 15**Length of Transmission:** 645 seconds**Receiving Machine Fax ID:** CIN-FAX-W-20If you have any questions, please visit our [online help center](#) or contact [Customer Support](#).

Thank you for choosing eFax.

Sincerely,
The eFax Team**Tip:** Switch to an annual plan – it's like getting 2 months free every year! Call (800) 958-2983 or email help@mail.efax.com.

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(b) (6)

TPI Efficiency is proud to be the fastest-growing company in Northeast Ohio – #1 on the [Weatherhead 100](#) – and on the [Inc. 5000](#) for a third time as one of the fastest-growing private companies in America!

Ben Anderson <ben.anderson@tpiefficiency.com>

To: C (b) (6)

Thanks C (b) (6)

Best regards,

Ben Anderson, C.E.M.
Senior Director, Mid-Atlantic
TPI Efficiency

12/3/2020

Telco Pros Inc. Mail - Fwd: Successful transmission to 18664015849. Re: Debt Waiver/Remission for LCDR Ben L. Anderson

C: 703-559-4398
O: 410-629-3330
F: 216-803-9898
Ben.Anderson@TPIEfficiency.com
www.TPIefficiency.com

*TPI Efficiency is proud to be recognized on the Inc. 5000 for a **third time** as one of the fastest growing private companies in America!*



[Quoted text hidden]

Ben Anderson <ben.anderson@tpiefficiency.com>
Draft To: Ben Anderson <ben.anderson@tpiefficiency.com>

Thu, Dec 3, 2020 at 4:45 PM

Best,

Ben L. Anderson, C.E.M.

Senior Director, Mid-Atlantic | [TPI Efficiency](#)

M| 703.559.4398
F| 216.803.9898

My business grows, or does not, based on equal parts:

- 1.) **my dedication** to you, my customer;
 - 2.) **my ability to increase the predictability** you have around your business energy costs;
 - 3.) **increasing your faith in me through providing outstanding & sustained performance** for you, and those you refer me to.
- I thank you in advance for referring me to those in your circle who I may serve.**

[Quoted text hidden]





February 2019

DEPARTMENT OF DEFENSE

Process Improvements Needed in Recouping Overpayments to Service Members

GAO Highlights

Highlights of [GAO-19-61](#), a report to congressional committees

Why GAO Did This Study

DOD sometimes overpays service members due to errors in administrative processing of pay and allowances, and calculating pay and leave. Nearly 400 Debt Collection Offices in DOD are responsible for the recovery and collection of debts (see figure for basic elements of the debt collection process). DOD has acknowledged that collection actions related to overpayments have placed undue burden on service members and their families, such as financial hardship, garnished wages, and damaged credit scores.

House Report 115-200 accompanying the National Defense Authorization Act for Fiscal Year 2018 included a provision for GAO to study DOD's process for recoupment of service member overpayments. This report evaluates the extent to which (1) the DOD Debt Collection Regulation is clear, and (2) military services' and DFAS policies and procedures follow DOD Debt Collection Regulation. GAO reviewed DOD regulations on debt collection, interviewed DOD officials, and examined non-generalizable samples of debt notification letters sent to serving and separated service members between January 2016 and May 2018.

What GAO Recommends

GAO is making five recommendations to DOD to help ensure its debt collection regulations, policies, and procedures are clear and carried out consistently. DOD concurred with all of the recommendations.

View [GAO-19-61](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or CackleyA@gao.gov or Asif A. Khan at (202) 512-9869 or KhanA@gao.gov.

February 2019

DEPARTMENT OF DEFENSE

Process Improvements Needed in Recouping Overpayments to Service Members

What GAO Found

Key aspects of the Department of Defense's (DOD) Debt Collection Regulation—which includes rules for recoupment of service member overpayments—are incomplete or unclear. For example, the regulation requires that certain pieces of information be included in the letter notifying service members of DOD-related debts. However, we found that the letter's template in the Debt Collection Regulation is missing two of the required pieces of information, including that any portion of a debt remaining at the time of separation may be collected from the service member's final pay and allowances. Additionally, the regulation does not clearly state whether or when to suspend collection actions during the review process for service members formally disputing their debt. As a result, the military services (Army, Navy, Air Force, and Marine Corps) and the Defense Finance and Accounting Service (DFAS)—which carry out the regulation—do not have clear direction when administering debt collection activities, which has led to inconsistent application. Further, service members may not be fully informed of the rights and protections to which they are entitled.

GAO also found that the military services' debt collection policies and procedures do not consistently follow the DOD Debt Collection Regulation. Specifically, debt notification letters that GAO reviewed did not consistently include all 18 pieces of information required by the DOD Debt Collection Regulation. For example, letters did not explain service members' right to a written decision of a review or their right to inspect and copy records related to the debt. Further, the military services' policies and procedures often were not current, complete, or clear. As a result, some service members may not have been properly notified of their debt, their rights to dispute it, or the potential consequences of inaction, such as involuntary payroll deduction. Unless the military services and DFAS fully incorporate the DOD Debt Collection Regulation into their respective policies and procedures, service members will likely continue to receive inaccurate and incomplete information about their debts and related rights and protections.

Elements of Department of Defense (DOD) Debt Collection Process for Service Members and DOD Civilian Employees



Source: GAO analysis of DOD Financial Management Regulation and Department of the Treasury guidance. | GAO-19-61

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February 15, 2019

The Honorable James M. Inhofe
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Adam Smith
Chairman
The Honorable Mac Thornberry
Ranking Member
Committee on Armed Services
House of Representatives

The Department of Defense (DOD) sometimes overpays service members due to errors in administrative processing of pay and allowances, and calculating pay and leave. DOD attempts to recover these debts through Debt Collection Offices located throughout the military services (Army, Navy, Air Force, and Marine Corps), and the Defense Finance and Accounting Service (DFAS)—the office within DOD that provides payment services to service and civilian personnel, retirees and annuitants.¹ The debt collection process starts with the Debt Collection Office sending a debt notification letter informing the service members of the debt, repayment options, and due process rights. Potential consequences for not repaying the debt can include involuntary payroll deductions, interest penalties, and credit bureau reporting.

DOD has acknowledged that collection actions related to overpayments have placed undue burden on service members and their families—including financial hardship, garnishment of wages, and damage to credit scores. DOD's efforts to recoup approximately \$22 million in cash bonuses and other incentives paid to service members in the California Army National Guard from 2004 through 2010 received extensive media coverage. In response, in October 2016, the Secretary of Defense said he

¹According to the DOD Financial Management Regulation, Debt Collection Office refers to the office or individuals, or any other organizational element at the DOD component level primarily responsible for establishing and collecting debt for the component. DOD 7000.14-R, *Financial Management Regulation*, vol. 16, ch. 1, § 010203 (Feb. 2018).

was suspending debt collection activities from affected service members until he could ensure that the process was fair and efficient. Further, he stated that affected service members would have decisions on their cases completed no later than July 2017. While DOD initially took actions to recoup some of these payments, guidance from the Office of the Secretary of Defense in October 2016 and the National Defense Authorization Act for Fiscal Year 2017 allowed for the waiver or other forgiveness of debt for most of the affected California National Guard service members.²

House Report 115-200 accompanying the National Defense Authorization Act for Fiscal Year 2018 included a provision for GAO to study DOD's process for recouping overpayments made to service members.³ This report evaluates the extent to which (1) the DOD Debt Collection Regulation is clear, and (2) military services' and DFAS policies and procedures follow DOD's Debt Collection Regulation.⁴

To address our first objective, we reviewed and analyzed documents applicable to DOD debt collection, including DOD's Financial Management Regulation (FMR), which includes the DOD Debt Collection Regulation; the DOD Financial Management Regulation Revision Standard Operating Procedures; and debt and claims information on DFAS' website. Specifically, we reviewed these documents for consistency and clarity. We reviewed applicable laws and other federal regulations and guidance, including the Department of the Treasury (Treasury) Bureau of the Fiscal Service's Managing Federal Receivables, applicable sections of the Code of Federal Regulations, and the U.S. Code.⁵ To better understand DOD's FMR, including the DOD Debt Collection Regulation, we interviewed officials representing the

²Pub. L. No. 114-328 § 671(c) , 130 Stat. 2000, 2174-2178 (2016); Secretary of Defense Press Release, *Statement from Secretary of Defense Ash Carter on California National Guard Bonus Payments*, Release No. NR-379-16 (Oct. 26, 2016).

³H.R. Rep. No. 115-200, at 141 (2017).

⁴This report uses "DOD Debt Collection Regulation" to refer to Financial Management Regulation, Volume 16. The scope of our report focused on Chapters 1-4 of Volume 16.

⁵The scope of our report focused on three main statutory provisions (37 U.S.C. § 1007; 31 U.S.C. § 3716; and 5 U.S.C. § 5514) that pertain to salary and administrative offset of DOD employee and service member debt owed to DOD. We recognize that additional laws dealing with non-DOD debt collection with separate rules and regulations exist; however, those laws are outside the scope of this audit.

Comptroller of the Office of the Under Secretary of Defense (OUSD Comptroller), DFAS, and the military services.

To address our second objective, we reviewed and analyzed the military services' policies and procedures that are designed to implement the FMR and govern debt management and collection, and compared them to the requirements of the DOD Debt Collection Regulation.⁶ We focused on requirements addressing due process (debtor notification and the opportunity to dispute), debt forgiveness (waivers and remissions), and credit bureau reporting. We compared templates of the letters notifying service members of their debt in the military services' policies and procedures with the requirements and sample templates for those notification letters in the DOD Debt Collection Regulation. We also interviewed and, where appropriate, obtained documentation from agency officials at the military services and DFAS.

We randomly selected a non-generalizable sample of 50 Debt Collection Offices across the military services and DFAS based on the listings of Debt Collection Offices officials provided to us.⁷ We asked that each of these offices provide one debt notification letter issued between January 2016 and May 2018 to service members who were serving in the military at the time the letter was issued.⁸ We asked Debt Collection Offices that

⁶While the military services confirmed that the documents they provided to us were current as of March 2018, we did not confirm that the documents encompassed all documentation relevant to their debt collection policies and procedures. The military services' policies and procedures vary in length, purpose, and audience. Each service provided multiple documents, with some documents pertaining to military pay generally, while others may pertain specifically to only travel or pay and allowances. For example, they include comprehensive pay system manuals, instruction manuals that focus specifically on travel-incurred debt, standard operating procedures, training guides, and fact sheets.

⁷DOD officials compiled a list of 392 Debt Collection Offices (225 Air Force; 97 Army; 63 Navy; 7 Marine Corps) in total across the military services; in addition, DFAS is responsible for 36 Debt Collection Offices on behalf of the Army. We did not verify that the list of the 392 Debt Collection Offices was a complete universe because our non-generalizable sampling methodology did not require this confirmation. We used that list to generate a random sample of 50 Debt Collection Offices (31 Air Force; 11 Army; 7 Navy; 1 Marine Corps) from which to request debt notification letters.

⁸Of the 50 debt notification letters requested, we received 49 items for testing, which had been issued to service members that incurred debt and were serving between January 2016 and May 2018. Forty-seven Debt Collection Offices sent us copies of actual letters sent. Two Debt Collection Offices had not sent any letters during the time period requested, and therefore provided us with templates from their policies and procedures instead. One Debt Collection Office did not issue any debt notification letters during the time period requested and did not have an available template to provide us.

had not issued a debt notification letter during this time period to instead provide a debt notification letter template that would be used if a service member were to be notified of a new debt. Additionally, we asked DFAS, which is responsible for processing debt for separated service members, to provide ten debt notification letters issued to service members who separated from service prior to fully repaying a DOD debt, one letter issued to a military retiree, and one letter issued to a military annuitant between January 2016 and May 2018.⁹ We compared the information in these debt notification letters with the requirements listed in the DOD Debt Collection Regulation. Appendix I contains a more detailed description of our scope and methodology.

We conducted this performance audit from September 2017 to February 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Provisions Governing DOD Debt Collection Activities

Several laws, as well as rules, guides, policies, and instructions from DOD and Treasury, outline procedures for collecting DOD employee debts, including the recoupment (repayment) of service member overpayments. DOD civilian employee and service member debt collection is authorized by three key statutory provisions—one specific to uniformed service members (37 U.S.C. § 1007) and two generally applicable to federal debt collection across the federal government but also applicable to uniformed service members in some situations (31 U.S.C. § 3716 and 5 U.S.C. § 5514). Table 1 lists these statutory

⁹Of the ten debt notification letters requested, we received nine letters issued to members who had separated from service with a DOD related debt between January 2016 and May 2018, and one related to a civilian employee that we did not include in our analysis.

provisions, the responsible DOD components when collecting debts under them, and the employees they apply to.¹⁰

Table 1: Key Department of Defense (DOD) Debt Collection Statutory Provisions and DOD Components' Collection Responsibilities

Statutory Authority	DOD Component	Employee Status
37 U.S.C. § 1007 Allows DOD to offset (deduct) from a service member's pay for the collection of debts that are administratively determined to be owed to a DOD Component by the service member. This is known as salary offset.	Military Services	Service members currently serving
	Defense Finance and Accounting Service (DFAS)	Service members currently serving, military retirees, and annuitants
31 U.S.C. § 3716 Allows for the withholding of funds payable by the United States (including funds payable by the United States on behalf of a State government). This is known as administrative offset.	DFAS	Service members no longer serving and not receiving military retiree pay or annuities
	DFAS	DOD civilians no longer employed
5 U.S.C. § 5514 Allows DOD to deduct from service members', DOD civilian employees', and other employees' current pay or salary accounts. This is known as salary offset. With regard to debts owed to DOD or its components (as opposed to debts owed to other federal agencies), the statute only applies to DOD civilian employees	DFAS	DOD civilians currently employed and service members currently serving who have non-DOD debt

Source: GAO analysis of DOD Financial Management Regulation. | GAO-19-61

These statutory provisions are implemented by the DOD Debt Collection Regulation, found in FMR Volume 16, which addresses the agency-wide requirements for collecting and managing debts owed to DOD, including debts resulting from service member overpayments.¹¹ The DOD Debt Collection Regulation, first published in Volume 16 in January 2016, consolidated debt collection regulations previously found in other FMR volumes and associated chapters.¹² The military services and DFAS are required to manage their activities consistent with the FMR. This requirement includes developing and administering the military services'

¹⁰DOD components include many organizations and offices across DOD. For this report, we use "DOD components" to refer to the military services—Army, Navy, Air Force, and the Marine Corps—and DFAS.

¹¹DOD 7000.14-R, *Financial Management Regulation*, vol. 16. Volume 16 applies to all debts owed to DOD by any person, organization, or entity except another federal agency. In addition to service members, for example, the policy covers collection of debt from DOD civilian employees, DOD contractors, and foreign entities.

¹²Since January 2016, there have been updates to the FMR in keeping with the Financial Management Regulation Revisions Standard Operating Procedures to revise and reissue chapters biennially, or more frequently as necessary.

debt collection policies and procedures consistent with the DOD Debt Collection Regulation.

Roles and Responsibilities in DOD Debt Collection

The FMR requires that each DOD component establish and maintain a debt management program that identifies, recovers, and collects debts owed by DOD civilian employees and service members.¹³ Each DOD component must clearly designate one or more offices, known as Debt Collection Offices, responsible for the recovery and collection of debts. These offices must ensure that debtors are afforded due process in accordance with the DOD Debt Collection Regulation. The DFAS Debt and Claims Management Office provides assistance in collecting debt from former DOD civilian employees and service members, and when collection by salary offset is not available because the debtor is no longer paid by DOD and has not agreed to pay the debt. Table 2 details the roles and responsibilities for the DOD offices that collect debt from DOD civilian employees and service members.

Table 2: Roles and Responsibilities of Department of Defense (DOD) Offices Collecting Debt from DOD Civilian Employees and Service Members

DOD Office	Roles and Responsibilities
Debt Collection Office	<ul style="list-style-type: none">Establishes and collects debt for the military servicesConducts initial debt collection actions and complies with due process procedures, consisting of a notice and an opportunity for reviewEnsures that service members are afforded all legal rights relative to collection of a debt due to overpayments of pay and allowancesProcesses service member requests for remissions of indebtedness^a
Defense Finance and Accounting Service's Debt and Claims Management Office	<ul style="list-style-type: none">Manages the collection of delinquent debts owed to DOD by former employees who are no longer paid by DOD^bProvides debt collection services if a military service's Debt Collection Office that established the debt cannot collect a debt through salary offset (payroll deduction)Ensures due process is provided prior to administrative offset, which is the withholding of funds payable by the United States, if a referring Debt Collection Office that established the debt did not already provide due processMakes determinations on applications requesting waiver of indebtedness from service members and DOD civilians

Source: GAO analysis of DOD Financial Management Regulation. | GAO-19-61

¹³Such programs, although required to be aggressive, should be fair, according to the Bureau of the Fiscal Service's *Managing Federal Receivables* (March 2015). Additionally, DOD may terminate active collection if all appropriate means of collection have been pursued and the debt is determined to be uncollectible. Appendix II provides examples of where DOD may be flexible in enforcing debt collection, such as granting debt forgiveness or providing other forms of debt relief.

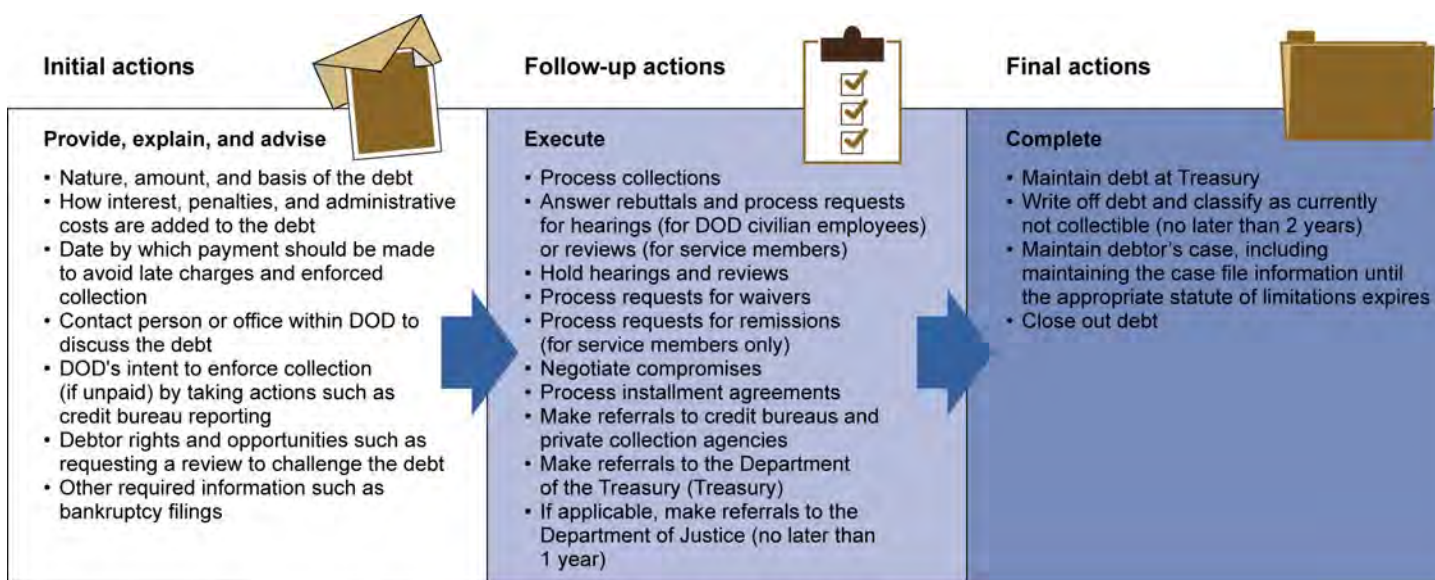
^aAccording to the Defense Finance and Accounting Service, a remission is the cancellation of a debt or portion of a debt.

^bAccording to Financial Management Regulation, Volume 4 (February 2016), debts are delinquent when not paid by the date specified in the initial written demand for payment unless other satisfactory payment arrangements have been made. Delinquent debts are aged from the date of delinquency. DOD 7000.14R, Financial Management Regulation, vol. 4, ch. 3, § 030210 (Feb. 2016).

DOD Debt Collection Cycle for DOD Civilian Employees and Service Members

The basic elements for collecting DOD civilian employee and service member debts include providing the debtor with a written notice of the debt, performing follow-up actions, and completing the debtor's case file (see fig. 1).

Figure 1: Elements of Department of Defense (DOD) Debt Collection Process for DOD Civilian Employees and Service Members



Source: GAO analysis of DOD Financial Management Regulation and Department of the Treasury guidance. | GAO-19-61

A debt, including one resulting from an overpayment, is generally established when the DOD component determines that there is a debt and identifies its exact amount. The DOD component's initial determination triggers the debt collection process through the military pay office within the military service, which is responsible for initial debt collection and due process procedures. These procedures include issuing debt notification letters to inform debtors of their debt and debt collection rights, including the right to request a waiver (the relinquishment of a

claim against an individual for a debt resulting from erroneous payments of pay or allowances) or remission (the cancellation of a debt or portion of a debt).¹⁴ Initial debt collection procedures also include providing the debtor with an opportunity for review—to request that the relevant Debt Collection Office to validate the details of the debt and allow the service member to dispute those facts. The component's Debt Collection Office will attempt to collect the debt by voluntary or involuntary payroll deductions—actions referred to as salary offset.

If the debt cannot be collected through salary offset, the DOD component's Debt Collection Office will refer the debt to the DFAS Debt and Claims Management Office for debt collection services. This typically occurs when a service member separates without an agreement to repay the debt. The DFAS Debt and Claims Management Office will assume responsibility for debt collection and will attempt to obtain voluntary repayment of the debt from the debtor. If still unable to collect, the DFAS Debt and Claims Management Office will refer the debt to Treasury for administrative offset, which is the withholding of funds payable by the United States. Federal agencies are required to refer any debts more than 120 days delinquent to the Treasury Offset Program for recovery by centralized administrative offset.¹⁵ According to the FMR, debts are delinquent when not paid by the date specified in the initial written demand for payment unless other satisfactory payment arrangements have been made.¹⁶ The DFAS Debt and Claims Management Office may also refer the debt to the Department of Justice (Justice) for litigation. Figure 2 shows the general flow of debt collection referrals.

¹⁴See Appendix II for information on the application of waivers, remissions, and other forms of debt relief.

¹⁵The Treasury Offset Program allows agencies to submit debts to one centralized location for offset of all eligible federal and state payments. Federal agencies are encouraged to submit delinquent debts to the Treasury Offset Program as early as 60 days after the required debt notification letter is sent to the debtor.

¹⁶According to Financial Management Regulation, Volume 4 (February 2016), delinquency starts one day after the payment due date or other agreed upon date, depending on the agreement or instrument. Delinquent debts are aged from the date of delinquency. DOD 7000.14R, *Financial Management Regulation*, vol. 4, ch. 3, § 030210 (Feb. 2016)

Figure 2: General Flow of Debt Collection Referrals for Department of Defense (DOD) Civilian Employee and Service Member Debt



Source: GAO analysis of DOD Financial Management Regulation and Department of the Treasury guidance. | GAO-19-61

DOD Credit Bureau Reporting

The Debt Collection Improvement Act of 1996 requires that all federal agencies, including DOD, report delinquent debts to credit bureaus.¹⁷ The DFAS Debt and Claims Management Office must follow Treasury guidance when carrying out credit bureau reporting. This guidance states that debts may be reported to credit bureaus no earlier than 60 days from the date a debtor is notified of the intention to report the debt to a credit bureau.¹⁸ Other conditions must be met before delinquent debt can be reported to credit bureaus. For example, the DFAS Debt and Claims Management Office must have determined that a service member has not filed for a review of the debt and that a decision regarding a waiver or remission is not pending. In addition, service members must have been provided with an opportunity to dispute the validity or amount of the debt, and to contest the involuntary repayment schedule.

DFAS officials stated that the DFAS Debt and Claims Management Office must report delinquent debts to four credit bureaus—Experian, Equifax, TransUnion, and Innovis—and submit the information using Metro 2 (the standard format credit bureaus use to accept credit information). These debts are reported by DFAS as “government overpayment” in the Metro 2

¹⁷Credit bureaus are major consumer and commercial credit reporting agencies that have agreements with government agencies to receive and integrate credit information from federal agencies and private sector entities into their respective databases. This information is sold to purchasers of credit data (in the form of credit reports, for example). The credit report is used largely to determine creditworthiness, conduct credit scoring, and assist with collection efforts.

¹⁸According to DFAS and military service officials, the DFAS Debt and Claims Management Office is responsible for reporting delinquent debts to credit bureaus.

“Account Type” field, which distinguishes government overpayment debt from other debts.

Key Aspects of Service Member DOD Debt Collection Regulation Are Incomplete, Unclear, or Outdated

Required Information Is Not Included in the DOD Debt Collection Regulation’s Service Member Debt Notification Letter Template

The DOD Debt Collection Regulation specifies when a debt notification letter must be issued, and states that debt notification letters should include 18 specific pieces of information concerning the amount and reason for the indebtedness the debtor’s rights to inspect records and dispute the debt, and other items.¹⁹ The DOD Debt Collection Regulation also includes a template for debt notification letters to service members.

However, we found that the template was missing 2 of the 18 required pieces of information:

- excess collections will be refunded to the debtor unless prohibited by law, and
- any portion of a debt remaining at the time of separation may be collected from the debtor’s final pay and allowances.

When asked, OUSD Comptroller and DFAS officials did not explain why those two required pieces of information were missing from the service member debt notification letter template, but agreed that all debt notification letters need to be consistent and contain the required information. The officials explained that the information contained in the letter may change (for example, depending on whether the employee is entitled to a hearing or a review), and that they have tried to incorporate information required by regulation when relevant to the particular circumstance of the letter.

¹⁹DOD 7000.14-R, *Financial Management Regulation*, vol. 16, chap. 2, § 020502, 020505 (June 2017). See Appendix III for a listing of DOD’s debt notification letter requirements.

During our review, OUSD Comptroller and DFAS officials told us they intended to update the template to include all 18 pieces of information required by the DOD Debt Collection Regulation at the next revision of the chapter. However, at the conclusion of our audit, the two missing pieces of information were not included in the template. Until the template provided in the regulation includes all required information service members may receive notification letters that do not fully inform them of the right to a refund of excess collections and the possible deduction from their final pay and allowances.

The DOD Debt Collection Regulation Does Not State Whether or When to Suspend Collection Actions for Active Duty Service Members Disputing Debt

The debt notification letter template for service members in the DOD Debt Collection Regulation states that collection action will be initiated if a request for review is not provided by the “suspense” date. However, the main text of the DOD Debt Collection Regulation does not explicitly state whether or when to suspend collection actions for active duty service members disputing their debt.²⁰ This omission has led to confusion among the military services and DFAS over whether or when a suspension is required. For example, an Air Force official told us that the Air Force suspends collection activities during the review process even though it is not required to do so. Similarly, a link on the DFAS website states that collection continues during the review process, although DFAS officials told us that in practice they suspend such collection until the review process is completed.

DOD officials stated that when a service member submits a timely request for review, DOD’s practice is to suspend collection until the review is completed. The officials agreed that the DOD Debt Collection Regulation needed to be revised to explicitly state that this practice is a requirement.²¹ However, as of August 2018, the DOD Debt Collection Regulation had not been updated to explicitly state whether or when to suspend collection actions for active duty service members disputing

²⁰DOD 7000.14-R, *Financial Management Regulation*, vol. 16, chap. 2, fig. 2-2 (June 2017). Military Sample Debt Notification for Overpayment of Pay and/or Allowances (Officer Letter) states: “Upon timely receipt of your request, the debt will be reviewed and a written response will be issued to you within 60 days. If your request for review and supporting documentation is not supplied by the suspense date, immediate collection action will be initiated...”

²¹DOD officials further noted that there may be rare situations where it would be appropriate to send a notice and provide a review after collection action has taken place, but that this practice should only be used in exigent circumstances when, for example, there is a special need for prompt action to secure the government’s interest.

debt. Without clarification and written procedures in the DOD Debt Collection Regulation and DFAS website regarding whether or when collection action should be suspended during the review process, the military services and DFAS will not have clear direction on the suspension requirements and may not be consistently following the appropriate procedure.

The FMR Cross-References Outdated FMR Sections

DOD's standard operating procedures require that FMR chapters be updated biennially and that references be current and relevant. However, we found that, as of August 2018, portions of the FMR cross-referenced outdated sections of the FMR instead of directing users to the DOD Debt Collection Regulation consolidated in January 2016. The following are examples of the topics addressed in the outdated cross-references, along with the FMR volume and chapter where the outdated cross-references were found:²²

- Salary offset: (Volume 4 Chapter 3, was last updated in February 2016, but includes outdated cross-references);
- Due process for the collection of overpayments: (Volume 7B Chapter 46, included outdated cross-references between January 2016 and March 2018);
- Termination of collection action: (Volume 4 Chapter 3, was last updated in February 2016, but includes outdated cross-references); and
- Timing of collections for overpayments of travel claims: (Volume 9 Chapter 8, included outdated cross-references between January 2016 and March 2018)

Additionally, the military services, DFAS, and service members who were directed to outdated sections may not have seen the additions and clarifications to the DOD Debt Collection Regulation that DFAS made in January 2016 and after. Such additions and clarifications include, but are not limited to the following:

²²Financial Management Regulation volumes such as accounting policy (Volume 4), military pay policy (Volumes 7A/7B), and travel policy (Volume 9) include discussion and guidance addressing debt collection activities when the processes overlap. For example, Volume 4, Chapter 3 covers the accounting treatment for public receivables which include debts from service members, and cross-references where regulations and procedures can be found for debt collection.

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- Reviews for service members. Clarification was made that reviews and hearings are performed under different authoritative guidance. Therefore, a section was added to provide review requirements for due process, requesting a review, requesting records, review procedures, written review results, and a statement informing debtors that there is no appeal of final determination.
 - Information requirements in the debt notification letter. A stipulation was added that service members must be notified of their right to request a review pursuant to the “Reviews for Service Members” section that was added to the regulation and to their right to written review results.
 - Requests for remission/cancellation. Language was added that DFAS no longer processes remission requests for any military service and that all requests for remission should be submitted on forms designated by the respective military service and submitted to the military service instead.
 - Additional documentation to include with waiver requests. Instructions were added for applicants to include copies of all supporting documentation, leave and earnings statements, notifications of personnel actions, and any statements from the applicant in support of the waiver application. We previously reported that this was one of the steps that DOD took to improve the availability of the documentation that is used to adjudicate waiver cases for service member debts that were sometimes delayed due to lack of documentation.²³

Additionally, we found instances where cross-references within the DOD Debt Collection Regulation were not consistently updated to reflect revisions. For example, updates in April 2018 were made to add and move paragraphs in Chapter 4 of the DOD Debt Collection Regulation addressing hearings and reviews, but Chapter 2 of the DOD Debt Collection Regulation continued to cross-reference the original version of Chapter 4 as of October 2018.

DOD’s Standard Operating Procedures for revising the FMR explains that it is to be revised by chapter. Further, each chapter is assigned an “Action Officer” responsible for staying abreast of changes in requirements from authoritative sources including Congress, the Office of Management and

²³GAO, *Military Recruiting: Army National Guard Has Implemented Internal Controls for Soldier Incentives but Needs to Better Plan to Maintain the Integrity of Those Controls*, [GAO-18-283](#) (Washington, D.C.: Feb 16, 2018).

Budget, and Treasury that affect their assigned chapters, and coordinating with subject matter experts who will review and concur or not concur on proposed chapter revisions. The procedures state that each chapter is to be updated at least biennially and more frequently, if necessary. The procedures also state that during the review process, the Action Officer should verify that existing references are current and relevant, research any discrepancies, and obtain input from subject matter experts or others with knowledge of the chapter topic.

According to an OUSD Comptroller official, cross-referencing to outdated regulation results from publication timing overlaps, and the current procedures already address this problem. However, our analysis showed that those procedures are not being followed. Chapters in the FMR—and therefore, cross-references within those chapters—had not been consistently updated on a biennial basis, nor have references been consistently updated to be current and relevant as required by DOD's standard operating procedures. As a result, the military services' Debt Collection Offices may not be aware when requirements have been added or changed, and may have difficulty determining the current chapters that apply. Further, service members subject to DOD debt collection may not be able to readily access the currently applicable regulations, which could hinder their ability to exercise the rights available to them.

Military Service and DFAS Policies, Procedures, and Debt Notification Letters Do Not Consistently Follow DOD Debt Collection Regulation

Military Services' Policies and Procedures Are Not Consistent with the DOD Debt Collection Regulation and Are Not Complete or Clear

According to federal internal control standards, management should ensure that quality information is appropriate, current, complete, accurate, accessible, and provided on a timely basis. Each unit within the organizational structure, such as divisions, offices, and related subunits, should document policies in the appropriate level of detail to allow management to effectively monitor the control activity. Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives.²⁴ We found that the debt collection policies and procedures of each of the four military services and DFAS frequently reference outdated FMR sections, and some of the policies and procedures contain outdated or inconsistent information affecting the debt collection process, such as debt notification, debt waiver, and debt remission. Additionally, military service policies and procedures do not comprehensively detail the review process. The terms used are not consistent with those used in the DOD Debt Collection Regulation, and the various debt collection processes are not clearly distinguished from one another. Our analysis identified the following examples of how military service policies and procedures are outdated or inconsistent with the DOD Debt Collection Regulation, or are incomplete or unclear:

Outdated or inconsistent

- References to FMR. All of the military services' policies and procedures continue to reference outdated FMR sections instead of the current version. For example, these policies and procedures continue to reference FMR Volume 7A, Chapter 50 as a DOD authority for debt collection actions, although this material was revised and consolidated into the DOD Debt Collection Regulation in January 2016.²⁵
- Routine intra-agency adjustments. Policies and procedures of the Army, Navy and Air Force state outdated and inconsistent thresholds below which the military services are permitted to collect without first providing a debt notification letter. According to the DOD Debt Collection Regulation, routine intra-agency adjustments may be used to collect overpayments that are \$50 or less, or that have occurred within four pay periods of the adjustment. When collection is

²⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sep., 2014).

²⁵In addition to Financial Management Regulation, Volume 7A, Chapter 50, military service policies and procedures also include outdated references to Volume 7B, Chapter 28 and Volume 5, Chapter 28.

Incomplete

completed in this manner, the DOD Debt Collection Regulation requires that a written notice with a statement of the nature and amount of the adjustment and a point of contact for questions about the adjustment be provided by the payday in the pay period in which the adjustment is processed, or as soon thereafter as practical. However, some military service policies and procedures permit collection to be completed for amounts up to \$500, and after more than four pay periods without first providing a debt notification letter.

- Waivers. The Air Force and Army have policies and procedures that provided incorrect information about where to submit waiver applications, what forms to use, or who has authority to grant waiver requests as those policies and procedures had not been updated in accordance with the current DOD Debt Collection Regulation.
- Remissions. The Navy's policies and procedures provide outdated information about who has authority to grant remissions.
- Due process. The DOD Debt Collection Regulation states that due process consists of providing debtors with both written notice and an opportunity to dispute the debt. However, the Army's policy and procedures that we reviewed did not mention the requirement to give debtors the opportunity to dispute the debt when defining due process.
- Templates for debt notification letters. None of the templates for debt notification letters included in the military service policies and procedures we reviewed included all of the required information stipulated in the DOD Debt Collection Regulation. The military services' templates we reviewed omitted between 2 and 16 of the 18 required pieces of information that Debt Collection Offices need to provide in the letters to debtors.²⁶ Specifically, the Army templates were missing 2 required pieces of information; the Navy template was missing 9; the Air Force template was missing 9; and, the Marine Corps template was missing 16. Further, none of the templates included a statement informing the debtor of the right to a refund if the debt is later waived or found not to be owed.
- Reviews for service members. Military service policies and procedures do not always include information about the DOD Debt Collection Regulation's requirements on certain key aspects of the service member review process for resolving debtor disputes. For

²⁶Specifically, we reviewed two Army templates and one template from each of the other services.

Unclear

example, Army, Navy, Air Force, and Marine Corps policies and procedures do not explain that a service member has the right to request records upon receiving written debt notification or has 45 days to request a review from the date that records are distributed. Additionally, all four of the military services have policies and procedures that do not explain the service member's right to a written decision, and when that written decision should be provided.

- Different terms for reviews. Military service policies and procedures use different terms to describe reviews for service members and do not clearly link the terms to those used in the DOD Debt Collection Regulation. This creates difficulty in distinguishing the review process from other processes such as hearings, waivers, remissions, and appealing a denied claim for refund.²⁷ While the DOD Debt Collection Regulation uses the term "review," military service policies and procedures may use terms such as "rebuttal," "dispute," and "appeal" when referring to the process by which a service member can dispute the validity of debt. For example, one of the Navy's standard operating procedures discusses the "hearing" process but does not mention service members' right to a "review," making it unclear whether there are any procedures that apply for service members requesting a review.²⁸ The hearing process provides a different form of debt "dispute" or "rebuttal." However, according to the DOD Debt Collection Regulation, in many cases, the service member may not be entitled to a hearing. Similarly, an Air Force official stated that the "appeal" procedures included in Air Force guidance are intended to address service member reviews. However, the use of the term "appeal" without clear linkage to the relevant section of the DOD Debt Collection Regulation covering reviews makes it unclear that the "appeals" are the same as reviews for service members as described in the DOD Debt Collection Regulation.
- Descriptions that commingle different processes. Army and Marine Corps policies and procedures do not clearly distinguish the process of disputing a debt—where a service member may challenge the validity or amount of the debt—from the waiver and remission processes, which are forms of debt forgiveness where the service member is not challenging the validity of the debt. For example, one

²⁷See Appendix II for information on the application of waivers, remissions, and other rights.

²⁸Hearings and reviews are both processes for disputing debt, but each has different procedural requirements and applications.

of the Army's standard operating procedures provides instructions for service members to submit a request for a waiver under "Application for a Rebuttal." According to the DOD Debt Collection Regulation, however, an individual cannot simultaneously request a waiver while challenging debt. Additionally, the waiver and remission processes are not always clearly distinguished from one another.²⁹

Military service officials provided the following explanations for why their policies and procedures have not been updated to be in accordance with the FMR:

- Military service policies and procedures are required to be updated less frequently than the FMR and are on a different update schedule.
- The process for publishing policies is complex.
- Challenges exist with staff turnover and the time needed to train new staff and implement a new process for updating policies and procedures.

Although the FMR may be updated more frequently than military service policies and procedures, complex publishing processes and staff turnover within the military services exist. Without military service policies and procedures that are consistent with the DOD Debt Collection Regulation, complete, and clear, DOD and the military services have limited assurance that the DOD Debt Collection Regulation is being applied consistently across the military services and that all service members are able to exercise the rights and protections to which they are entitled.

Debt Notification Letters to Service Members Do Not Follow Requirements

Letters to Service Members Serving at Time of Issuance

In our review of the debt notification letters, we found numerous instances where the letters did not contain information required by the DOD Debt Collection Regulation or included guidance that was unclear or inconsistent with the Regulation.

Of the 49 debt notification letters we examined that were sent to service members who were serving at the time of issuance, 45 did not include all 18 pieces of information required by the DOD Debt Collection Regulation. For example:

²⁹Waivers are processed by DFAS. Remissions are processed by the respective services.

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- Forty-three letters did not include a statement that amounts will be promptly refunded for amounts paid by or deducted from the service member that are later waived or found not to be owed.
 - Forty-two letters did not advise the service member that if the requested review was granted, the service member had the right to receive a written decision within 60 days of filing the request.
 - Twelve letters did not advise the service member of the right to inspect and copy DOD records related to the debt.
 - Nine letters did not state the intention to collect the debt from the service member by means of payroll deductions (salary offset) if payment was not received within 30 days of letter issuance.
 - Eight letters did not include a statement regarding the right to request a remission of the debt.
 - Seven letters did not include a statement that if the service member wished to dispute the existence or amount of the debt, the service member had the right to submit a written request for review.
 - Six letters did not include a statement regarding the right to request a waiver of the debt.

These findings generally corresponded to the required information that was missing in the respective military service's notification letter templates, as previously discussed. Further, Marine Corps officials told us that they did not issue debt notification letters except for service members about to separate from service.³⁰ From the impending separation letter we reviewed, 14 of the 18 required pieces of information were omitted. According to Marine Corps officials, a standardized template is used by the Marine Corps for all impending separation letters and has therefore led to a systemic omission of the required information we found missing.

Additionally, we identified seven notification letters that did not clearly distinguish between options available to service members to request a review or apply for a waiver or remission. For example, these letters instructed service members to request a waiver or remission, which are used when the service member is no longer disputing debt and requests

³⁰Instead, such notifications were provided on service members' Leave and Earnings Statements where only the nature, amount, and point of contact information is required. Because this form of notification does not provide service members with all of the DOD Debt Collection Regulation due process requirements, DOD's FMR only permits its usage in limited circumstances, such as for routine adjustments where the overpayment occurred within the four pay periods preceding the adjustment or amount to \$50 or less.

forgiveness of the debt, in the event that he or she disagreed and wished to dispute the debt. In another case, the letter indicated that the service member was allowed to simultaneously file a request for review and a request for a waiver or remission. According to DOD Debt Collection Regulation, however, applying for a waiver is not the proper forum to contest the validity or amount of the debt because submitting a waiver application is an acknowledgment that the individual does not intend to dispute the validity or amount of the debt. Likewise, a remission is an improper forum for disputing debt since it, along with waivers, is a primary mechanism to forgive a service member's debt.

Other requirements were also commingled in some of the notification letters we reviewed, such as a service member's rights to request a waiver or request a remission. These are separate processes with different DOD approving bodies, and the denial of a waiver does not preclude a service member from applying for the remission or cancellation of the debt. Generally, the authority to waive debts lies with the DFAS Director and is applicable for errors in payroll, travel, and other allowances that meet the requirements for waiver, whereas the authority for remission of debts lies with the respective military services and is generally applicable for any debts.³¹ However, 8 of the 49 letters we reviewed described waiver and remission as the same process or provided information for one process that was applicable to the other. For example, service members were referred to waiver procedures if requesting remissions, and one letter advised a service member to file a remission application if requesting a waiver.

We also found letters to service members that referred to outdated regulation, inapplicable regulation, or portions of procedures that did not exist. Of the 26 letters that made references to regulations:

- Thirteen letters referenced military service policies and procedures that were outdated. One of those instances referred to an appendix of the procedures that did not exist.
- Seven letters referenced superseded FMR sections and informed service members that debt collection actions were being taken in accordance with regulation that was no longer applicable, as it had

³¹Additional requirements for waiver can be found at the Department of Defense Instruction 1340.23.

been revised and consolidated into the DOD Debt Collection Regulation in January 2016.³²

- Two letters incorrectly referenced portions of the FMR for instructions applicable for collecting debt from DOD civilian employees and contractors instead of portions applicable to service members.

If debt notification letters do not consistently comply with requirements and guidance specified in the DOD Debt Collection Regulation, service members may not be receiving proper instructions for contesting the validity of their debt or applying for debt relief options such as waivers or remissions. Further, they may not be fully informed of the consequences of nonpayment, such as involuntary salary offset.

Letters to Service Members Separated from Service

All of the nine debt notification letters to service members separated from the military services that we examined were missing the following three required pieces of information:

- Due Date to Request a Review. Although DFAS informed separated service members that they may request a review of the validity or amount of debt, DFAS did not provide a deadline for submitting the request. The DOD Debt Collection Regulation states that the right to a review is waived if the debtor does not submit a request “in a timely manner.”
- Right to a Written Decision. Separated service members who may request a review were not notified of the right to receive the results in writing or how soon a written decision would be provided after submitting the request.
- Tax Filing. Separated service members were not notified that for joint federal income tax filers, the service member’s spouse must file IRS Form 8379, *Injured Spouse Allocation*, to claim his or her share of the tax refund.³³

By not confirming that service members receive the required information, DFAS cannot be certain that service members have been provided due process before DFAS continues collection activities. DFAS officials stated that two of the required pieces of information listed above (the due date to

³²Specifically, the letters included outdated references to FMR, Volume 7A, Chapter 50 and Volume 5, Chapter 28.

³³IRS Form 8379 allows the injured spouse on a jointly filed tax return to claim his or her share of the joint refund when the joint federal income tax overpayment is applied to a past-due debt obligation to the United States of the other spouse.

request a review and the right to a written decision of the review) are not required when DFAS is collecting the debt of separated service members, as those debtors are presumed to have received due process (i.e. received debt notification letters and the opportunity to dispute the debt) prior to DFAS receiving the debt for collection. According to internal control standards, management should design control activities to achieve objectives and implement control activities through policies.³⁴ Further, when the debt is transferred from the Debt Collection Office to DFAS, the DOD Debt Collection Regulation states that certification statements must be included with the documentation transferred, and should confirm that the Debt Collection Office provided the debtor with all due process requirements, including a debt notification letter. However, we found that DFAS is not confirming, by receiving certification statements or otherwise, that the Debt Collection Office has provided the service member with due process requirements, prior to the debts being transferred electronically to DFAS.³⁵

DFAS officials stated that debts electronically transferred (approximately 93 percent of debts) from the Debt Collection Office to DFAS are not accompanied by debt certification statements. As discussed above, our analysis shows that the debt notification letters we reviewed do not always contain all required information; therefore, by not requiring debt certification statements from Debt Collection Offices, DFAS cannot be certain that service members have been properly notified of their debt and their rights to dispute it prior to the debt being transferred.

Letters to Military Retirees and Annuitants

Our review of one debt notification letter for a military retiree and one for a military annuitant found that 6 of the 18 required pieces of information were not included in both letters:

- Right to a Written Decision. Debtors were not notified of their right to receive written review results if they requested a review of their debt or how soon a written decision would be provided after submitting the request.

³⁴[GAO-14-704G](#)

³⁵According to FMR Volume 16, Chapter 3, certification statements should state that the amounts of the debts being referred are correct and that the debts are delinquent, valid, legally enforceable, and confirm that the Debt Collection Office provided the debtor with all due process requirements. Debt Collection Offices referring debts electronically must also submit a debt certification statement. DOD 7000.14-R, *Financial Management Regulation*, vol. 16, ch. 3, § 030504.F (May 2016).

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- Right to a Refund. Debtors were not notified that they will be promptly refunded for amounts paid by or deducted from the member that are later waived or found not to be owed.
 - Tax Filing. Debtors were not notified that for joint federal income tax filers, the debtor's spouse must file IRS Form 8379, *Injured Spouse Allocation*, to claim his or her share of the tax refund.
 - Collection Action on Delinquent Debts. Debtors were not notified that if DFAS is unable to collect the debt, other collection methods may be used, such as referring the debt to a private collection agency, reporting the debt to a credit bureau, garnishing non-federal employment wages, or referring the debt to Justice for litigation; and that any debts delinquent for more than 120 days are required to be transferred to Treasury for collection or may be transferred sooner.
 - Penalty for False or Frivolous Statements. Debtors were not notified of the consequences, which could include disciplinary or criminal penalties, of knowingly providing false or frivolous statements, representations, or evidence.
 - Bankruptcy. Debtors were not informed of their responsibility to notify DFAS if the debtor files or has filed for bankruptcy.

To the extent that debt notification letters do not include all information required by the DOD Debt Collection Regulation, military retirees and military annuitants may not be fully informed of how DOD will enforce collection if the retiree or annuitant does not pay. As a result, retirees and annuitants may not be able to fully exercise their rights to dispute debts and may not be aware that their debts may be reported to credit bureaus, or referred to private collection agencies and Treasury for collection.

Conclusions

Although DOD has updated and consolidated existing debt collection regulations into one volume, the debt notification letter template for service members is missing two key pieces of information. In addition, the Debt Collection Regulation does not clearly state whether or when to suspend collection actions if service members formally dispute their debt. Other sections of the Financial Management Regulation do not cross-reference the correct portions of the updated DOD Debt Collection Regulation. As a result, the military and DFAS do not have clear direction when collecting debts, and service members may not be fully informed of the rights and protections to which they are entitled.

The DOD Debt Collection Regulation also requires the military services and DFAS to develop and administer policies and procedures consistent

with the Regulation. However, the military services' debt collection policies and procedures frequently reference outdated FMR sections, and contain outdated or inconsistent information affecting the debt collection process. In numerous instances, debt notification letters sent by the military services and DFAS did not contain required information or included guidance that was unclear or inconsistent with the Regulation. As a result, service members were often not properly notified of their debt, their rights to dispute it, and the potential consequences of inaction, such as involuntary payroll deduction.

Recommendations for Executive Action

We are making the following five recommendations to DOD:

The Under Secretary of Defense (Comptroller) should revise the service member debt notification letter template to include all of the information required by DOD Financial Management Regulation Volume 16. (Recommendation 1)

The Under Secretary of Defense (Comptroller), in coordination with DFAS, should revise DOD Financial Management Regulation Volume 16 and the DFAS website to clearly state whether and when collection action should be suspended during the review process for service members who dispute their debt. (Recommendation 2)

The Under Secretary of Defense (Comptroller) should ensure that cross-references within each chapter related to debt collection functions in the FMR are current, relevant, and updated in a timely fashion. (Recommendation 3)

The Secretary of Defense should direct the Secretaries and Commandant of the military services, and the Director of DFAS where these responsibilities are shared, to review and update outdated debt collection procedures; update service level debt notification letter templates; and clarify debt and due process procedures applicable to the recoupment of DOD overpayment debts from service members for consistency with DOD Financial Management Regulation Volume 16 and other applicable areas of the Financial Management Regulation. (Recommendation 4)

The Secretary of Defense should direct the Secretaries and Commandant of the military services, and the Director of DFAS, to ensure that all of the information required by DOD Financial Management Regulation Volume 16 is included in debt notification letters sent to service members. (Recommendation 5)

Agency Comments and Our Evaluation

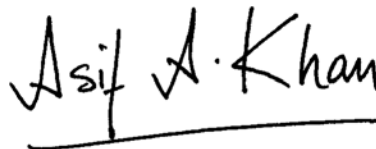
We provided a draft of this report to DOD for review and comment. In its comments, reproduced in appendix VI, DOD concurred with each of the five recommendations and described planned actions it will take to implement them.

We are sending copies of this report to the appropriate congressional committees; the Acting Secretary of Defense; and, the Under Secretary of Defense (Comptroller). In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact Alicia Puente Cackley at (202) 512-8678 or CackleyA@gao.gov or Asif A. Khan at (202) 512-9869 or KhanA@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix VII.



Alicia Puente Cackley
Director, Financial Markets and Community Investment



Asif A. Khan
Director, Financial Management and Assurance

Appendix I: Objectives, Scope, and Methodology

The objectives of this report were to evaluate the extent to which (1) the Department of Defense (DOD) Debt Collection Regulation is clear, and (2) military services' and DFAS policies and procedures follow DOD's Debt Collection Regulation.

To address our first objective, we reviewed and analyzed documents applicable to DOD debt collection, including DOD's Financial Management Regulation (FMR), which includes the DOD Debt Collection Regulation; the DOD Financial Management Regulation Revision Standard Operating Procedures; and debt and claims information on the Defense Finance and Accounting Service's (DFAS) website.¹ Specifically, we reviewed these documents for consistency and clarity, focusing on debt collection processes including debt notification, debt dispute, debt forgiveness, and credit reporting. We also reviewed cross-references within the FMR to determine whether those references were current and relevant. Additionally, we reviewed the military service member debt notification template in the DOD Debt Collection Regulation for consistency with the required pieces of information in the Regulation. We reviewed applicable laws and other federal regulations and guidance, including the Bureau of the Fiscal Service's *Managing Federal Receivables*, applicable sections of the Code of Federal Regulations, and the U.S. Code.² To better understand the FMR, including the DOD Debt Collection Regulation, we interviewed officials representing the Comptroller of the Office of the Under Secretary of Defense (OUSDC Comptroller), DFAS, and the military services (Army, Navy, Air Force, and Marine Corps).

To address our second objective, we reviewed and analyzed the military services' policies and procedures that are designed to implement the FMR and govern debt management and collection at the services and

¹This report uses "DOD Debt Collection Regulation" to refer to the Financial Management Regulation, Volume 16. The scope of our report focused on FMR Volume 16, Chapters 1-4. DFAS' website for debt and claims information can be accessed at: <https://www.dfas.mil/debtandclaims/>.

²The scope of our report focused on three main statutory provisions (37 U.S.C. § 1007; 31 U.S.C. § 3716; and, 5 U.S.C. § 5514) that pertain to salary and administrative offset of DOD employee and service member debt owed to DOD. We recognize that additional laws dealing with non-DOD debt collection with separate rules and regulations exist; however, those laws are outside the scope of this audit.

compared them to the DOD Debt Collection Regulation.³ Specifically, in November 2017, we asked each military service to provide us with service-level documents, including those relating to (1) processing debt collection, providing due process, and forgiving debt; (2) responsibilities for processing debt; and (3) procedures for reporting debt to credit bureaus. We asked for documents such as policies, procedures, and guidance, as well as handbooks and flowcharts that describe the relevant processes. We confirmed with the military services that the documentation they provided was current.

In analyzing the military services' policies and procedures, we focused on requirements addressing due process (debtor notification and the opportunity to dispute), debt forgiveness (waivers and remissions), and credit bureau reporting. We compared templates of the letters notifying service members of their debt in the military services' policies and procedures against the requirements and sample templates for those notification letters stipulated in the DOD Debt Collection Regulation.⁴ We also interviewed and, where appropriate, obtained documentation from agency officials at the military services and DFAS.

To further address our second objective, we randomly selected a non-generalizable sample of 50 Debt Collection Offices across the military services and DFAS. DOD officials provided us with a list of 392 Debt Collection Offices—225 in the Air Force, 97 in the Army, 63 in the Navy, 7 in the Marine Corps, and 36 in DFAS, that collect debt on behalf of the Army. We did not verify that the lists of Debt Collection Offices were a complete universe. We used the list to generate a random sample of 50 Debt Collection Offices (31 Air Force; 11 Army; 7 Navy; 1 Marine Corps) from which to request debt notification letters.

We asked each of the 50 Debt Collection Offices in our random sample provide one debt notification letter it had issued between January 2016

³We did not confirm that the documents encompassed all documentation relevant to their debt collection policies and procedures. Each service provided multiple documents with some documents pertaining to military pay generally, while others may pertain specifically to only travel or pay and allowances.

⁴See appendix III for a complete listing of the debt notification letter content requirements listed in the DOD Debt Collection Policy.

and May 2018 to service members that were then serving in the military.⁵ For Debt Collection Offices that did not issue a debt notification letter during our requested time period, we asked that they instead provide a debt notification letter template that would be used if a service member were to be notified of a new debt. Additionally, we asked DFAS, which is responsible for processing debt for separated service members, to provide 10 debt notification letters issued to service members who separated from service prior to fully repaying a DOD debt.⁶ DFAS also provided one letter issued to a military retiree, and one letter issued to a military annuitant between January 2016 and May 2018 that we included in our analysis.

We compared the content of these debt notification letters against the requirements of the DOD Debt Collection Regulation, which specifies 18 pieces of information that must be included in the letters to ensure due process requirements were communicated to the service member.⁷ In addition, we verified that the information and guidance provided in the letters were current and directed the service member to applicable topics and resources. We looked for instances where the debt notification letter included commingled or confusing information related to these requirements. While the data obtained from the Debt Collection Offices' debt notification letters is not generalizable across the military services and DFAS, it enabled us to gain an understanding of which items were missing from debt notification letters.

We conducted this performance audit from September 2017 to February 2019 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to

⁵Of the 50 debt notification letters requested, we received 49 items for testing, which had been issued to service members that incurred debt and were serving between January 2016 and May 2018. Forty-seven Debt Collection Offices sent us copies of actual letters issued. Two Debt Collection Offices had not issued any letters during this time period, and instead provided templates from their policies and procedures. One Debt Collection Office did not issue any debt notification letters during this time period and did not have an available template to provide us.

⁶Of the ten debt notification letters requested, we received nine letters that had been issued to members who had separated from service, prior to fully repaying a DOD related debt, between January 2016 and May 2018, and one related to a civilian employee that we did not include in our analysis.

⁷Letters issued to separated service members notify them to visit www.dfas.mil/debtandclaims/information for further required information about the collection process, applicable regulations, and other opportunities available to them.

obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Debt Forgiveness and Other Forms of Debt Relief

While various legal provisions govern the Department of Defense's (DOD) collection of civilian employee and service member debt, DOD has some flexibility in how it enforces debt collection. Table 3 provides information on the application of two forms of debt forgiveness—waivers and remissions—and describes other forms of debt relief that DOD can provide to civilian employees and service members.

Table 3: Waivers, Remissions, and Other Forms of Debt Relief Used by the Department of Defense (DOD)

Debt Forgiveness: Waivers and Remissions		
	Waivers	Remissions
Applicability	<ul style="list-style-type: none"> Civilian DOD employees and service members. Debt that is the result of an erroneous payment of salary or allowances or an erroneous payment of a Survivor Benefit Plan annuity, travel, transportation, relocation expenses or allowances.^a 	<ul style="list-style-type: none"> Service members. Debts of regular or reserve service members in active status, where debt was incurred on or after October 7, 2001.
Conditions	<ul style="list-style-type: none"> May only be granted when the collection of debt would be against equity and good conscience and not in the best interests of the United States. Any debt resulting from an erroneous payment where there is an indication of fraud, misrepresentation, fault, or lack of good faith on the part of the debtor cannot be waived.^b Financial hardship should not be a factor in considering the appropriateness of a waiver. 	<ul style="list-style-type: none"> Remission must be in the best interests of the United States. Specific factors for granting remission may vary by military component, and may include, for example, good faith, hardship, injustice, and value to the service.
Limits	<ul style="list-style-type: none"> The Defense Finance and Accounting Service's Debt and Claims Management Office is authorized to grant or deny service members a waiver of debt aggregating to not more than \$10,000 (or \$1,500 for civilian employees). If the aggregated debt is over \$10,000 for service members (or \$1,500 for civilian employees), the authority to grant the waiver lies with the Director of the Defense Office of Hearings and Appeals or designee under the DOD Office of the General Counsel. 	<ul style="list-style-type: none"> None specified in DOD Debt Collection Regulation.
Refund	<ul style="list-style-type: none"> If the requested waiver is approved, a debtor is entitled to refund of the amount of the debt repaid prior to the waiver being approved. 	<ul style="list-style-type: none"> There is no specific requirement in the DOD Debt Collection Regulation that a service member be refunded the amount of debt already repaid.
Appeal	<ul style="list-style-type: none"> A debtor may appeal the denial of a waiver application. The Defense Office of Hearings and Appeals reviews the debtor's appeal and may affirm, modify, or reverse the initial determination. 	<ul style="list-style-type: none"> DOD Debt Collection Regulation does not specify any appeal rights if the service member is denied remission.
Other Forms of Debt Relief		
Voluntary Installment Repayments	If the debtor is financially unable to pay a debt in a lump sum, DOD may accept voluntary repayment from the debtor in regular installments rather than proceeding with collection by involuntary offset.	
Compromise	DOD may agree to accept less than the full amount of an outstanding debt in full satisfaction of the entire amount of the debt. DOD may consider factors including litigation risks, the debtor's inability to pay the full amount, and whether collection costs exceed amounts recoverable.	

**Appendix II: Debt Forgiveness and Other
Forms of Debt Relief**

Suspension	DOD may cease collection action temporarily with the intent to initiate collection action at a later date. DOD may consider factors including whether the debtor's location is known, the debtor's financial condition, and whether the debtor has requested a waiver, remission, or review of the debt.
Termination	DOD may cease active debt collection after the agency has pursued all appropriate means of collection and determined the debt is uncollectible. DOD may pursue collection at a later date if there is a change in the debtor's status or a new collection tool becomes available. DOD may consider factors including whether a substantial amount can be collected using the tools available, whether the debtor can be located, and costs of collection.
Claim for Refund	A service member can file a claim for any amounts considered erroneously collected from his or her pay account. If the Claim for Refund is denied in whole or in part, the service member may submit an appeal to the Defense Office of Hearings and Appeals.
Correction of Military Records	The Secretary of a Military Department may correct any military record of the Secretary's department when the Secretary considers it necessary to correct an error or remove an injustice. An individual may be owed money pursuant to the correction of his or her military record.

Source: GAO analysis of DOD debt collection information, including DOD's Financial Management Regulation. | GAO-19-61

^aOther waiver authority may apply to payments that were not erroneously paid. Such waiver authority is generally exercised by the DOD component as provided by other statutory authority. Such debts resulting from non-erroneous payments include, for example, those related to student loan repayments and recruitment and relocation bonuses.

^bThe Defense Office of Hearings and Appeals has held that a waiver will not be granted if it appears the debtor had records (such as a Leave and Earnings Statement) which, if reviewed, would have indicated an overpayment, and the debtor failed to review such documents for accuracy or otherwise failed to take corrective action. Such failure on the part of the debtor renders the debtor partially at fault and ineligible for a waiver of the debt.

Appendix III: Department of Defense (DOD) Debt Notification Letter Requirements for DOD Employees

DOD's Debt Collection Offices are required to issue an initial debt notification letter to a debtor within five working days following confirmation of (1) the existence and validity of the debt, (2) the basis of indebtedness, and (3) the amount of the debt. Although only one debt notification letter is required to be issued to a debtor, Debt Collection Offices may issue additional letters at 30-day intervals. Only after due process has been completed may involuntary salary and administrative offset begin. Table 5 lists eighteen pieces of information that all debt notification letters are required to contain per the DOD Debt Collection Regulation in Financial Management Regulation, Volume 16.¹

Table 4: Department of Defense (DOD) Debt Notification Letter Requirements for DOD Employees

Requirement	Description
1. Statement of Facts Regarding the Debt	<ul style="list-style-type: none">• Include explanation of amount and reason for the indebtedness.• Include authority for establishing the debt.• Cite the basis on which the determination of indebtedness was made.
2. Request for Lump-Sum Payment	<ul style="list-style-type: none">• Request that debt be repaid in a lump sum by check or money order.
3. Payment Due Date	<ul style="list-style-type: none">• State that payment must not be more than 30 days from the date of the initial debt notification letter, unless otherwise mandated by statute, contract provision, another notice of indebtedness, or based on unusual circumstances as determined by the agency (for example, medical-related debts where insurance is billed first).• Include the date by which payment must be made to avoid incurring interest, penalties, administrative fees, and enforced collection.

¹DOD 7000.14-R, *Financial Management Regulation*, vol. 16, chap. 2, § 020505 (June 2017)

**Appendix III: Department of Defense (DOD)
Debt Notification Letter Requirements for DOD
Employees**

Requirement	Description
4. Right to Request a Hearing or Review	<p>Hearing</p> <ul style="list-style-type: none"> • Include a statement indicating that if the debtor wishes to dispute the existence or amount of the debt (or contest the repayment schedule for collection by salary offset), then the debtor may do so by submitting a written request for review in the form of a hearing petition. • Advise the debtor of the method and period of time for filing the hearing petition, typically 30 days from the date of the debt notification letter. • State that the timely filing of a hearing petition will stay the beginning of collection proceedings, and that interest and penalty charges will not be collected until and unless the hearing official's decision is in favor of a collection. • Detailed hearing petition instructions may be provided to the debtor online through the Internet. <p>Review</p> <ul style="list-style-type: none"> • Include a statement indicating that if the service member wishes to dispute the validity or amount of the debt (or contest the involuntary repayment schedule), then the service member must submit a written request for review containing the service member's identifying information, the reason for requesting a review, supporting documentary evidence, and a dated signature. • Advise the service member that a request for review must be received not later than 30 days from the mailing date of the debt notification, or by the date indicated in the debt notification.
5. Right to a Written Decision	<p>Hearing</p> <ul style="list-style-type: none"> • Advise the debtor that if a hearing is granted, the debtor has the right to receive a written decision from the hearing official within 60 days after the filing of the hearing petition, unless the hearing official grants a request for a delay in the proceedings. <p>Review</p> <ul style="list-style-type: none"> • Advise the service member that if a review is granted, the service member has the right to receive written results within 60 days.
6. Right to Inspect Records	<ul style="list-style-type: none"> • Advise the debtor that he or she has the right to inspect and copy the DOD records relating to the debt.
7. Voluntary Repayment Agreement Information	<ul style="list-style-type: none"> • Advise the debtor of the opportunity to establish a schedule for the voluntary repayment of the debt by entering into an installment payment plan if the debtor claims, and can support, an inability to repay the debt in a single lump sum.
8. Right to Request a Waiver or Remission	<p>Waiver</p> <ul style="list-style-type: none"> • If applicable, include a statement regarding the right to request a waiver of the indebtedness in accordance with applicable statutory authority for waiving a debt. Detailed waiver application instructions may be provided to the debtor online. <p>Remission</p> <ul style="list-style-type: none"> • If applicable, include a statement regarding the right to request a remission of the indebtedness in accordance with applicable statutory authority for cancelling the debt.
9. Collection Action on Delinquent Debts	<ul style="list-style-type: none"> • Include a statement indicating that if the Debt Collection Office is unable to collect a debt, other collection methods may be used, such as referring the debt to a private collection agency, reporting the debt to a credit bureau, garnishing non-Federal employment wages, or referring the debt to Department of Justice for litigation. • Inform the debtor that any debts delinquent for more than 120 days are required to be transferred to the Department of the Treasury for collection, and in some cases, the debt may be transferred sooner.
10. Collection from Final Pay of Employee	<ul style="list-style-type: none"> • Include a statement indicating that any portion of a debt remaining at the time of separation may be collected from the debtor's final pay and allowances.

**Appendix III: Department of Defense (DOD)
Debt Notification Letter Requirements for DOD
Employees**

Requirement	Description
11. Interest, Penalties, and Administrative Costs	<ul style="list-style-type: none"> Contain a statement explaining the requirements under 31 C.F.R. § 901.9 to assess IPA, including the following information: <ul style="list-style-type: none"> An explanation that if the debt is not paid by the due date, then interest will be charged from the date of delinquency, or from the date specified in the repayment agreement, if applicable. Include a statement indicating that the interest rate will be calculated pursuant to 31 C.F.R. § 901.9; An explanation that if the debt is not paid in full by the due date stated in the debt notification letter, then the Debt Collection Office will assess administrative costs for the processing and handling of the delinquent debt; and An explanation that if the debt is delinquent for more than 90 days, then the Debt Collection Office will assess a penalty, not to exceed 6 percent per annum, on the unpaid portion of the debt accruing from the date of delinquency.
12. Point of Contact	<ul style="list-style-type: none"> Include a statement identifying the name, mailing address, email address, fax number, and telephone number of a point of contact the debtor may contact regarding the debt.
13. Payment Address	<ul style="list-style-type: none"> Provide the address where payment should be mailed or delivered (including instructions for Pay.Gov or electronic funds transfer, where applicable), and include notice that the check, money order, or wire transfer must be made payable to the Department of the Treasury.
14. Penalty for False or Frivolous Statements	<ul style="list-style-type: none"> Indicate that consequences of knowingly providing false or frivolous statements, representations, or evidence including disciplinary procedures, penalties, and criminal penalties under applicable laws and regulations.
15. Bankruptcy	<ul style="list-style-type: none"> Include a statement indicating the debtor is responsible for notifying the Debt Collection Office if the debtor files or has filed for bankruptcy.
16. Right to a Refund	<ul style="list-style-type: none"> Include a statement that amounts paid or deducted for the debt, which are later waived or found not to be owed to the Government, will be refunded promptly to the debtor, unless prohibited by law.
17. Tax Filing	<ul style="list-style-type: none"> Provide notice that for joint income tax filers, the spouse should file IRS Form 8379, <i>Injured Spouse Allocation</i>, with the Internal Revenue Service to claim his or her share of the tax refund.
18. Salary Offset Procedures	<ul style="list-style-type: none"> Where applicable, state the Debt Collection Office's intention to collect the debt of a Federal employee by means of payroll deductions (salary offset) if payment is not received within 30 days. Identify the amount, frequency, proposed beginning date, and the duration of deductions by salary offset.

Source: DOD's Financial Management Regulation. | GAO-19-61

Appendix IV: Example of a Service Member Debt Notification Letter That Includes All Required Information


Figure 4 is a debt notification letter that contains all of the eighteen pieces of information that are required to be included per the DOD Debt Collection Regulation in Financial Management Regulation, Volume 16.¹ (See appendix III for a list of the eighteen required pieces of information.)

¹DOD 7000.14-R, *Financial Management Regulation*, vol. 16, chap. 2, § 020505 (June 2017)

Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

Figure 3: Service Member Debt Notification Letter That Includes All 18 Required Pieces of Information

NOT AT FAULT DEBT NOTIFICATION LETTER

 [Redacted]

S: 01 March 2018
AETS-FCQ-PCM

Requirement #3:
Payment due date

January 29, 2018

MEMORANDUM FOR RECORD

THRU: COMMANDER, FINBGJA1

FOR: [Redacted]

Requirement #1:
Statement of facts
regarding the debt

SUBJECT: Notification of Indebtedness

Requirement #2:
Request for
lump-sum payment

1. **Notification.** This Notification of Indebtedness is to inform you that you are indebted to the United States in the amount of \$ 1,603.33 for the following reason(s): Overpayment of **Hardship Duty Pay (HDP); Hostile Fire Pay (HFP)**. Finance has adjusted your debt for any previous payments made and offsets taken.

Requirement #13: Payment address

2. **Payment of Your Debt.** Please pay the amount of your debt, as specified above, in full by the suspense date of this notification. You have the option to pay your debt in cash, by cashier's check, or via money order. If you are making payments with Community Bank make cashier's checks or money orders payable to "DSSN 6387, 266th FMSC". If you are making payments at the 106th FMSU Cash Cage located in Grafenwoehr or Kaiserslautern make cashier's checks or money orders payable to "Disbursing Officer, DSSN 6321". Please complete the enclosed Voluntary Repayment Agreement/Election Form indicating your desire to pay the debt in full and coordinate your payment with your local Finance Customer Service Team (FCST) prior to the suspense date. If you are unable to pay the full amount of the debt in one lump sum, you may agree in writing to pay the debt in regular installments.

Requirement #7: Voluntary repayment agreement information

3. **If You are Unable to Pay Your Debt.** If you do not repay the debt in full or do not complete the enclosed Voluntary Repayment Agreement/Election Form by the suspense date in collection action will be initiated which will include an administrative fee of \$15.00 and a charge of 1.00%. Beginning on the pay period following the suspense date on this finance will involuntarily initiate collection of the debt, administrative fee, and interest pay by using salary offset procedures (payroll deductions). A maximum of 15 percent of disposable pay will be deducted each pay period until your debt is paid in full. The amount may fluctuate each pay period depending on your available net disposable pay and 15 percent of your disposable pay are indicated in the Voluntary Repayment Agreement/Election Form. Repayment of the principal amount of your debt would be completed in approximately 4 months. If you retire or leave the service before your debt is paid in full, the entire amount of your final pay may be applied to pay off your debt. Debt amounts remaining at the time of separation will be collected from final payments of any nature.

Requirement #18:
Salary offset
procedures

Requirement #10:
Collection from
final pay of
employee

Note: When it is determined that a Soldier's overpayment of pay or allowances is the fault of the Soldier, the debt can be recovered in monthly installments of up to two-thirds of the Soldier's disposable monthly pay. The definition of "fault" in this context means responsibility, liability, culpability, or blameworthiness.

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

Part 1 of 12

Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

NOT AT FAULT DEBT NOTIFICATION LETTER

**Requirement #4:
Right to request a
review**

**Requirement #8:
Right to request a
waiver**

4. **Opportunities Available to You.**

a. You may inspect and/or receive copies of records related to your debt by contacting your FCST.

b. You may request a review by finance if you question the validity or amount of the debt or contest the involuntary repayment schedule (see enclosed instructions on "Requesting a Review").

c. If you do not wish to dispute the validity or amount of the debt, you are entitled to request a waiver of your debt by submitting a DD Form 2789, Waiver/Remission of Indebtedness Application (see the enclosed instructions on "Requesting a Waiver") if your debt is the result of an erroneous payment of pay or allowances or an erroneous payment of travel, transportation, or relocation expenses and allowances. By submitting an application for a waiver, you acknowledge that you do not intend to dispute the validity or amount of the debt. Waiver claims require no evidence of fraud, misrepresentation, fault, or lack of good faith. Generally, a waiver is precluded when a Soldier receives a significant unexplained increase in pay or allowances, or otherwise knows, or reasonably should know, that an erroneous payment has occurred and fails to make inquiries or bring the matter to the attention of appropriate officials. A waiver may be inappropriate even though the recipient of the payment makes inquiries or brings the matter to the attention of appropriate officials and is mistakenly advised that the payment is proper. The fact that an erroneous payment is the result of an administrative waiver.

Requirement #8: Right to request a remission or cancellation of indebtedness

d. You have the right to initiate a DA Form 3508, Application for Remission or Cancellation of Indebtedness, IAW AR 600-4 (see the enclosed instructions on "Requesting a Remission or Cancellation of Indebtedness"). You may request that the debt be remitted or canceled on the basis of hardship, injustice, or both. In accordance with AR 600-4, Chapter 1, Paragraph 1-8, Subparagraph e, a debt that is obtained or converted to own use through fraud, larceny, embezzlement, or other unlawful means may not be remitted or canceled under 10 U.S.C 4837.

5. **Questions about Your Debt.** Please see the enclosed "Collection of Your Debt" for additional information regarding debt collection. The Department of Defense Financial Management Regulation (DoD FMR) contains general information concerning debt collection authority in Volume 16, Chapters 1-4, and is available at http://comptroller.defense.gov/FMR/vol16_chapters.aspx.

6. **Point of Contact.** Please complete the enclosed Voluntary Repayment Agreement/Election form and return it to your serving FCST, which will serve as your point of contact for this notification.

**Requirement #12:
Point of contact**

Supervisor, Debt Processing Branch

Encls

1. Collection of your Debt
2. Requesting a Review
3. Requesting a Waiver
4. Requesting a Remission or Cancellation of Indebtedness
5. Voluntary Repayment Agreement/Election Form

2

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

NOT AT FAULT DEBT NOTIFICATION LETTER	
Requirement #6: Right to inspect records	Requirement #11: Interest, penalties, and administrative costs (IPA)
COLLECTION OF YOUR DEBT	
<p>Right to Review Records. In accordance with Department of Defense Financial Management Regulation (DoD FMR), Volume 16: "Department of Defense Debt Management," Chapter 2, you have the opportunity to inspect and copy government records applicable to your debts and have the opportunity to review all the decisions related to your debt. If you desire to have a copy of the documents substantiating the debt(s), please contact your Finance Customer Support Team.</p>	
<p>Interest and Additional Charges. Interest will not be charged if full payment of the debt is made by the suspense date specified in this Notification of Indebtedness Memorandum. Interest charges will be assessed on all debt not paid in full by the date due, regardless if the debt is to be paid in a lump-sum or installments. Debt that is paid through an installment plan is not considered delinquent as long as the payments are made on time; however, interest will continue to be assessed on the outstanding balance owed and collected until the debt is paid in full. The rate of interest charged is at the U.S. Treasury Tax and Loan Rate. Additional penalties may be imposed at the rate of up to 6 percent a year on any unpaid portion of your debt that is delinquent for more than 90 days, commencing on the date your debt becomes delinquent and continuing until the debt is paid in full. In addition to interest and penalty charges, administrative charges will be assessed to cover the added costs incurred in handling a delinquent debt beyond the date on which payment was due. Unlike the interest charge, which begins to accrue on the date the Notification of Indebtedness Memorandum is issued, the administrative charge is applied only if payment is not made by the due date specified in the Notification of Indebtedness Memorandum. Debt that is paid through an agreed upon installment plan is not considered delinquent as long as the payments are made on time; however, interest will continue to be assessed on the outstanding balance owed and collected until the debt is paid in full.</p>	
Requirement #9: Collection action on delinquent debts	Requirement #14: Penalty for false or frivolous statements
<p>Collection Action on Delinquent Debts. If the Defense Finance and Accounting Service (DFAS) is unable to collect your debt by salary offset, it may enforce repayment of your debt by using other available collection remedies such as referring your debt to a private collection agency, reporting your debt to a credit bureau, garnishing your non-Federal employment wages, or referring your debt to the Department of Justice for litigation. Debts delinquent for more than 120 days are transferred to the Department of Treasury for collection. Debts delinquent for more than 180 days may be transferred sooner than 120 days. Treasury may offset your federal benefit payments, such as Social Security and federal employee retirement benefits, to collect your debt. You may also be prohibited from being approved for a federal loan if you do not resolve your outstanding delinquent debt.</p>	
<p>Penalties for False or Frivolous Statements. Please be advised that if you make or provide any knowingly false or frivolous statements, representations, or evidence with respect to your debt, you may be liable for penalties under the False Claims Act (31 U.S.C. § 3729-3731) or other applicable statutes; and/or criminal penalties under 18 U.S.C. § 286, 287, 1001, and 1002; and other applicable statutes. You may also be subject to disciplinary procedures under any other applicable statutes or regulations.</p>	
<p>Tax Considerations. Per IRS Publication 15, income tax withheld by DFAS in a prior calendar year cannot be adjusted. Therefore, if your overpayment occurred in a prior calendar year, you must pay back the gross amount of your debt, including any taxes previously withheld and paid on your behalf to the IRS. You may be entitled to a deduction (or credit in some cases) for the repaid wages on your income tax return for the year of repayment of your debt. If your overpayment and repayment both occur in the same calendar year, DFAS will be able to adjust your tax withholding and you will be</p>	

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

Part 3 of 12

Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

NOT AT FAULT DEBT NOTIFICATION LETTER

**Requirement #17:
Tax filing**

responsible for repaying only the net overpaid amount. Upon repayment in the same calendar year, your W-2 will be adjusted to reflect your income and the associated taxes. Finally, please be aware that should your debt repayment ever become delinquent and collected by the offset of your tax refund, your spouse may file Form 8379, Injured Spouse Allocation, with the Internal Revenue Service (IRS) to claim his or her share of the tax refund.

Right to a Refund. DFAS will promptly refund to you any amounts you have paid or that were deducted for your debt which are later waived or found not owed to the United States.

Bankruptcy. If you file for bankruptcy, you must notify your Finance Customer Support Team as soon as possible.

**Requirement #15:
Bankruptcy**

**Requirement #16:
Right to a refund**

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

NOT AT FAULT DEBT NOTIFICATION LETTER

REQUESTING A REVIEW

**Requirement #4:
Right to request
a review**

If you question the validity or amount of your debt you may request a review and validation of the debt by finance. You may also contest the involuntary repayment schedule. You must submit a written request for a review that identifies and explains, with reasonable specificity, the facts and evidence you believe support your position. The request for review must be received not later than 30 days from the mailing date of the debt notification. There is no standardized format for a request for review; it should contain your identifying information, the reason for requesting a review, documentary evidence, and a dated signature. You waive your right to a review if you fail to submit a request in a timely manner. Finance may accept a late request if you can show that the circumstances beyond your control.

**Requirement #6:
Right to inspect
records**

Requesting Records. You may make a written request to finance for records related to your debt. A request for records must be made prior to the deadline for submitting a request for review. Within 45 days after the date the records are provided to you, you must submit a written request for review to finance or you will waive your right to review.

Review Procedures. The request for review must be submitted to your Finance Customer Support Team (FCST). Upon receipt of the request for review, finance will consider the information and any documentary evidence contained in your request and will perform a review and validation of the debt. Finance will issue you written review results. During this process, finance will not initiate collection of your debt unless otherwise required by statute.

Written Review Results. Finance will provide you written results of your request for a review within 60 calendar days.

Appeal of Final Determination. The determination on review is final. There are no provisions for review or appeal of the Debt Collection Office's decision on salary or administrative offset.

Where do I find additional information? See DoD FMR Volume 16, Chapter 4, paragraph 040206.

**Requirement #5:
Right to a written decision (of review)**

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Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

NOT AT FAULT DEBT NOTIFICATION LETTER	
<div>REQUESTING A WAIVER</div> <div>Requirement #8: Right to request a waiver</div>	
<p>What is a waiver? Under 5 U.S.C. § 5584, the United States may waive its right to collect the debt you owe if collection would be against equity and good conscience and not in the best interest of the United States. <u>The debt must be the result of an erroneous payment of pay or allowances</u> (including travel, transportation, or relocation expenses and allowances). A debt may be waived in whole or in part. <u>Collection of your debt generally will not be suspended during the waiver review process.</u> The appropriateness of a waiver depends on the facts of each particular case. Generally, a Soldier who receives an erroneous payment from the U.S. Government acquires no right to the money. The recipient of the payment is bound in equity and good conscience to make restitution. If the payment was made by mistake, no matter how careless the act of the U.S. Government may have been, the recipient of the payment must make restitution. A waiver is not a matter of right and is available only to provide relief as a matter of equity when warranted by the circumstances of the individual case. <u>Economic or financial considerations play no role in the determination of a waiver request.</u></p> <p>Indication of Fraud, Misrepresentation, Fault, or Lack of Good Faith. A waiver may only be granted when the collection would be against equity and good conscience and not in the best interests of the United States. <u>There must be no indication the erroneous payment was solely or partially the result of the fraud, misrepresentation, fault, or lack of good faith of the applicant.</u> An individual does not acquire title to the amounts paid erroneously and should hold the excess amounts for eventual repayment to the U.S. Government. Defense Office of Hearings and Appeals (DOHA) has held that a waiver will not be granted if it appears the debtor had records (such as Leave and Earning Statements) which, if reviewed, would have indicated an overpayment, and the debtor failed to review such documents for accuracy or otherwise failed to take corrective action. Such failure on the part of the debtor renders the debtor partially at fault and ineligible for a waiver of the debt.</p> <p>May I apply for a waiver and simultaneously request a review? No. By submitting an application for a waiver, you acknowledge that you do not intend to dispute the validity or amount of the debt. <u>Requesting a waiver is not the proper forum to contest the validity or amount of your debt.</u> If your waiver application includes arguments concerning the validity or amount of your debt, your application may be denied. In order to contest the validity or amount of your debt, you must file a petition for a review concerning your debt.</p> <p>Is there a time limit for filing a waiver application? Yes. Military members must file a waiver application within 5 years after the erroneous payment was discovered. For the purposes of starting the 5-year period, the date of discovery is the date that an appropriate official first determines that an erroneous payment has been made. Typically, the date of discovery of the debt for the purposes of filing a timely waiver request is 5 years from the date the debt notification memorandum was issued to the debtor.</p> <p>What must be included in a waiver application and where should the application be submitted?</p> <p><u>DD Form 2789 Waiver/Remission of Indebtedness Application:</u> You must complete and sign DD Form 2789 "Waiver/Remission of Indebtedness Application" available at: http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2789.pdf. Provide the application and all supporting documents to your Finance Customer Support Team (FCST). If your waiver application is missing information, you will receive a request to submit additional information. Failure to submit the additional information within 30 business days of notification will result in your request for waiver being closed with no action.</p>	

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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**Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information**

NOT AT FAULT DEBT NOTIFICATION LETTER

Supporting Documents: You must include supporting documents with your waiver application. Supporting documents include, but are not limited to:

- ☒ Copies of all supporting documentation referred to in DD Form 2789.
- ☒ Copies of Leave and Earnings Statements covering 3 pay periods prior to the overpayment(s) through 3 pay periods after the overpayment ended. If you do not have access to your Leave and Earnings Statements, you must include a statement explaining why they are not available.
- ☒ Any statement from you or any other persons in support of your application. Statements must be attested to be true and correct to the best of the individual's knowledge and belief.

Where Do I Find Additional Information? See DoD FMR Volume 16, Chapter 4, paragraph 0404.

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Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

NOT AT FAULT DEBT NOTIFICATION LETTER		Requirement #8: Right to request a remission or cancellation of indebtedness
REQUESTING A REMISSION OR CANCELLATION OF INDEBTEDNESS		
<p>What is a Remission or Cancellation of Indebtedness? Generally, any indebtedness may be considered for remission/cancellation. The debt must be a debt over which the United States Army has jurisdiction. For example, the Secretary of the Army may not remit a service member's indebtedness because of liability for damage to property of another Military Service. In accordance with the authority of Section 4837, Title 10, United States Code (10 USC 4837), the Army may remit or cancel a Soldier's debt(s) to the U.S. Army or its instrumentalities if such action is in the best interests of the United States and the debt was incurred while on active duty or in an active status. The objectives of remission or cancellation of debt are to remit or cancel debts to the U.S. Army that are considered to be unjust and in the best interest of the United States. <u>Indebtedness to the U.S. Army will not be remitted or canceled when debts are due to loss of public funds obtained or converted to own use through fraud, larceny, embezzlement, or other unlawful means.</u></p> <p>How to apply. With the help of your immediate commander, you must complete a DA Form 3508, Application for Remission or Cancellation of Indebtedness at: http://armypubs.army.mil/pub/eforms/DR_a/pdf/web/A3508_final.pdf. You may request that the debt be remitted or canceled on the basis of hardship, injustice, or both. Your application packet must contain evidence that either:</p> <ul style="list-style-type: none">a. You did not know, and could not have known, of the error; orb. You inquired of a proper authority and were told that the payment was correct. <p>Basis for application.</p> <ul style="list-style-type: none">a. <i>Injustice.</i> If claiming injustice only, fill out DA Form 3508, Sections I, VII, and VIII.b. <i>Hardship.</i> If hardship only is claimed under DA Form 3508, Item 15, fill out all sections on the form. In section VII, include any unusual factors or obligations that could help prove that repayment would cause hardship. When claiming hardship, failure to fill out all sections will result in the DA Form 3508 being returned for completion. Refusal to fill out all sections will result in the DA Form 3508 being returned without action.c. <i>Injustice and hardship.</i> If claiming both hardship and injustice, fill out all sections of the DA Form 3508. Enter "NA" for items that do not apply. <p>Enclosures to application. Include the following forms/documents as enclosures to the packet:</p> <ul style="list-style-type: none">(1) DA Form 2823 (Sworn Statement).(2) Documentation of monthly expenses must be included in order to process the request when claiming hardship. Monthly receipts shall cover the period within 60 days of the accepted remission package. Outdated or incomplete receipts will cause the package to be returned for proper documentation.(3) Documents that disclose cause, reason, category, amount, and inclusive period of indebtedness, such as—<ul style="list-style-type: none">(a) DD Form 139 (Pay Adjustment Authorization).(b) Forms sent to you by DFAS (for example, adjustment authorization and/or information for replies to rebuttals).(c) DD Form 200 (Financial Liability Investigation of Property Loss).(d) DD Form 362 (Statement of Charges/Cash Collection Voucher).(e) Transportation Operations Letter, Subject: Household Goods Pay Adjustment.		
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Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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**Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information**

NOT AT FAULT DEBT NOTIFICATION LETTER
<p>(4) Statements from persons knowing the circumstances of the debt, if needed.</p> <p>(5) If needed, statements from reliable individuals having information on the debt indicating that application packet approval would be in the best interest of the U.S. Government and/or that collection would create hardship. <u>Reasons must be fully explained.</u></p> <p>(6) Any other evidence to support the case, if needed.</p> <p>Sworn Statement. You must submit a detailed sworn statement on DA Form 2823. If the form is not available, submit a written statement that has been countersigned by a commissioned officer having notary powers (10 USC 936 and UCMJ, Article 136) or by a notary public. The statement must include the following:</p> <ul style="list-style-type: none">a. Circumstances, including cause and reason for the debt to the U.S. Army.b. Period involved.c. Date of discovery.d. Information about official notification of the debt to the U.S. Army, including how, when, and who informed you.e. Suspicion or knowledge of error.f. Whom you informed of the error or suspicion of error.g. Efforts made by you to have the error corrected.h. Evidence to support efforts to correct the cause of debt.i. Reason for delay (if any) in correcting error.j. A full explanation concerning the use of the erroneous funds. Explain if they were safeguarded or spent.k. If injustice is claimed, an explanation for the claim.l. If hardship is claimed, an explanation of the problems that repayment would cause. <p>Commanders' Involvement.</p> <p>The immediate commander will assist the Soldier with the process and provide a recommendation of approval, in whole or in part, or disapproval in a formal, signed memorandum. The immediate commander must send the formal memorandum, with enclosures, to the commander exercising Special Court-Martial jurisdiction.</p> <p>The commander who possesses Special Court-Martial convening authority must review and evaluate the DA Form 3508 and its corresponding enclosures to ensure that the case is complete and well-documented. The commander must sign a formal memorandum providing reasons that the request to remit or cancel the debt to the U.S. Army be approved, in whole or in part, or that it be disapproved.</p> <p>Where Do I Find Additional Information? See Army Regulation 600-4, Remission or Cancellation of Indebtedness.</p>

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

NOT AT FAULT DEBT NOTIFICATION LETTER

Voluntary Repayment Agreement/Election Form

Debt Information:

Soldier's Name: [REDACTED]

Debt Reason: Hardship Duty Pay (HDP); Hostile Fire Pay (HFP)

Amount Owed: \$ 1,603.33

Estimated Disposable Net Pay Amount: \$ 2,726.28

Note: Disposable pay is pay that remains after any legally required deductions from earnings are withheld. Disposable Pay equates to Gross Pay (pay minus allowances) minus Federal Insurance Contributions Act (FICA); Armed Forces Retirement Home; Federal Income Tax Withholdings (FITW); Service members' Group Life Insurance (SGLI) (including Family SGLI (FSGLI); Traumatic SGLI (TSGLI)); and State Income Tax Withholdings (SITW). For reservists, the deductions to calculate disposable pay are: FICA; FITW; SITW; and SGLI (including FSGLI and TSGLI).

Estimated Deduction Amount at 15% of Net Disposable Pay per Pay Period: \$ 408.94

Debt Dates: 8/2/2017 through 1/15/2018 Creation Date: 1/13/2018

Acknowledgement. I acknowledge that I owe the total amount indicated above and that I am obligated to repay the debt to the United States. I understand that in the event I take no further action, 15 percent of my disposable pay will be deducted automatically beginning with the first pay period following the suspense date on the Notification of Indebtedness Memorandum.

Interest and Administrative Fee. I understand that if I decide to repay the amount owed by any method other than in a single lump-sum payment by the suspense date indicated on my Notification of Indebtedness Memorandum, interest will be charged. I understand that interest at the Treasury Tax and Loan rate and will be charged on the unpaid balance every month until the debt is paid in full. Also, I understand that if I do not complete this Voluntary Repayment/Election Form and return it to my Finance Customer Support Team by the suspense date indicated on the Notification of Indebtedness Memorandum, that a one-time administrative fee of \$15.00 will be charged. In addition, I understand that if my debt becomes delinquent due to an agreed upon installment payment not being made by the due date, I will be charged a \$15.00 administrative fee.

Payment Obligation. I acknowledge the validity of this debt and agree to repay the debt in the manner I have indicated below. **Please choose one of the following repayment plans (check one):**

 Payment in Full by Check or Cash. I will repay my debt in a lump sum via a cashier's check, money order, or in cash and will contact my local Finance Customer Service Team to receive instructions for how to make the lump-sum repayment.

 Payment by Military Pay Offset. I will repay my debt by having the payments deducted from my military pay.

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Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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NOT AT FAULT DEBT NOTIFICATION LETTER

In the Event of Default. In the event I default on my obligation under this agreement, finance is entitled to terminate this agreement without notice. Upon termination, the U.S. government will retain all amounts paid. Any unpaid balance of the debt will be automatically reinstated and shall become immediately due and payable pursuant to law. The U.S. government is entitled to take any lawful action it deems appropriate to collect the debt without duplicating notices and opportunities for review previously provided to me.

Appendix IV: Example of a Service Member
Debt Notification Letter That Includes All
Required Information

NOT AT FAULT DEBT NOTIFICATION LETTER

Other Due-Process Elections:

**Requirement #4:
Right to request
a review**

**Requirement #8:
Right to request
a waiver**

I question the validity or amount of the debt and will request a Review of the Debt. I understand that collection of the debt, any interest, the administrative fee, and penalty charges will be suspended until the review process is completed. I also understand that collection of the debt will begin at 15% of my disposable pay if I do not provide my written request for review by the suspense date.

I do not dispute the validity or amount of the debt and will request a Waiver of Indebtedness. I understand that waivers only apply to indebtedness that is the result of an erroneous payment of pay or allowances or an erroneous payment of travel, transportation, or relocation expenses and allowances. I also understand that collection of the debt at 15% of my disposable pay, any interest and penalty charges, and the administrative fee will not be suspended until the hearing official issues a written decision.

I will request a Remission or Cancellation of Indebtedness. I understand that collection of the debt, any interest and penalty charges, and the administrative fee will be suspended until U.S. Army Human Resources Command makes its determination on the request. I also understand that collection of the debt will begin at 15% of my disposable pay if I do not provide my completed remission packet by the suspense date provided to me following my request for a remission or cancellation of indebtedness.

**Requirement #8:
Right to request
a remission or
cancellation of
indebtedness**

I have read and fully understand and agree to the terms of this agreement.

Signature of Soldier: _____

Soldier's Printed Name

Date: _____

Signature of Commander: _____

Commander's Printed Name

Date: _____

Submitting Your Signed Agreement. Please sign and return this Voluntary Repayment Agreement/Election Form to your local Finance Customer Service Team.

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Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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Appendix V: Examples of Service Member Debt Notification Letters That Do Not Meet All Requirements

Figures 5, 6, and 7 are debt notification letters that do not contain all eighteen pieces of information that are required to be included per the DOD Debt Collection Regulation in Financial Management Regulation, Volume 16.¹ (See appendix III for a list of the eighteen required pieces of information.)

¹DOD 7000.14-R, *Financial Management Regulation*, vol. 16, chap. 2, § 020505 (June 2017)

Appendix V: Examples of Service Member Debt Notification Letters That Do Not Meet All Requirements

Figure 4: Example 1 of a Service Member Debt Notification Letter Missing Required Pieces of Information

Other Missing or Incomplete Requirements in Figure 5:

- Requirement 4: Right to request a review (incomplete)
- Requirement 5: Right to a written decision of the review
- Requirement 8: Right to request a waiver or remission
- Requirement 9: Collection action on delinquent debts
- Requirement 11: Interest, penalties, and administrative costs
- Requirement 13: Payment address
- Requirement 14: Penalty for false or frivolous statements
- Requirement 15: Bankruptcy
- Requirement 16: Right to a refund
- Requirement 17: Tax filing

Source: GAO. | GAO-19-61

2018 Date: March 5, 2018,

From: Director, Lemoore

To: ENS [redacted] USN

Via: Commanding Officer, [redacted]

Subj: INDEBTEDNESS TO THE U.S. GOVERNMENT

Ref: (a) DJSMS Procedures Training Guide Part 7, Chapter 7
(b) DODFMR Volume 7A, Chapter 50

1. Per reference (a), you are hereby advised of indebtedness to the amount of [redacted]. The overpayment is due to transfer to new [redacted] Station and the changes Basic Housing Allowance.

2. If you wish, you may inspect and copy all records pertaining to the debt. If you believe you have already paid the debt, please provide the disbursing officer with a receipt, a canceled check, or other evidence of payment. If you consider the debt to be invalid, you should inform the disbursing officer, either orally or in writing, explaining your position. The disbursing officer will then assist you in resolving the issue.

3. If you acknowledge owing the indebtedness, but feel that you should not be required to repay it, you have the right to request remission of the indebtedness. Information concerning the preparation and submission of waiver requests is contained in SECNAVINST 7226.38 series. Assistance in preparing such a request can be obtained from your personnel office.

4. If you do not exercise your rights as explained in paragraphs 2 and 3, you have the following options for liquidating this indebtedness:

a. Cash repayment in a lump sum;
b. One-time collection from your pay;
c. Cash deposit with remainder to be paid by installment;
d. Installment liquidation of the entire amount.

5. If you have not made remittance or expressed a preference of repayment by 30 days from the date of this letter, your pay will be checked at the maximum rate provided by law. Therefore, you are strongly urged to consult with disbursing office personnel in order to arrive at a satisfactory resolution. Any portion of the debt that remains outstanding at the time of separation will be collected from your final pay and allowances.

6. Your POC to discuss this indebtedness is [redacted] at PSD Lemoore. You can reach him at [redacted] or by email at [redacted].

Copy to:
CPC [redacted]

1. Letter received on [redacted], by [redacted].

2. Hold collection action in abeyance. The member has not been notified due to (circle): a. Deployment b. Hospitalization, c. TAD until [redacted], d. Leave until [redacted]. The member will be notified upon termination of the above status.

3. The military member has been notified and desired action is indicated (circle): a. Cash repayment by attached check b. Collection by pay account checkage, c. Request for remission of indebtedness being initiated.

Publication outdated, replaced and consolidated into Financial Management Regulation, Volume 16 in January 2016.

Publication last updated July 2002 and provides outdated or incomplete procedures and guidance over debt collection processes such as debtor notifications, reviews, waivers, and remissions. Continuously references outdated Financial Management Regulation policy.

Publication was canceled in January 2005.

Instructions commingle a request for a remission of indebtedness with a request for a waiver.

Option not provided to request a waiver.

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

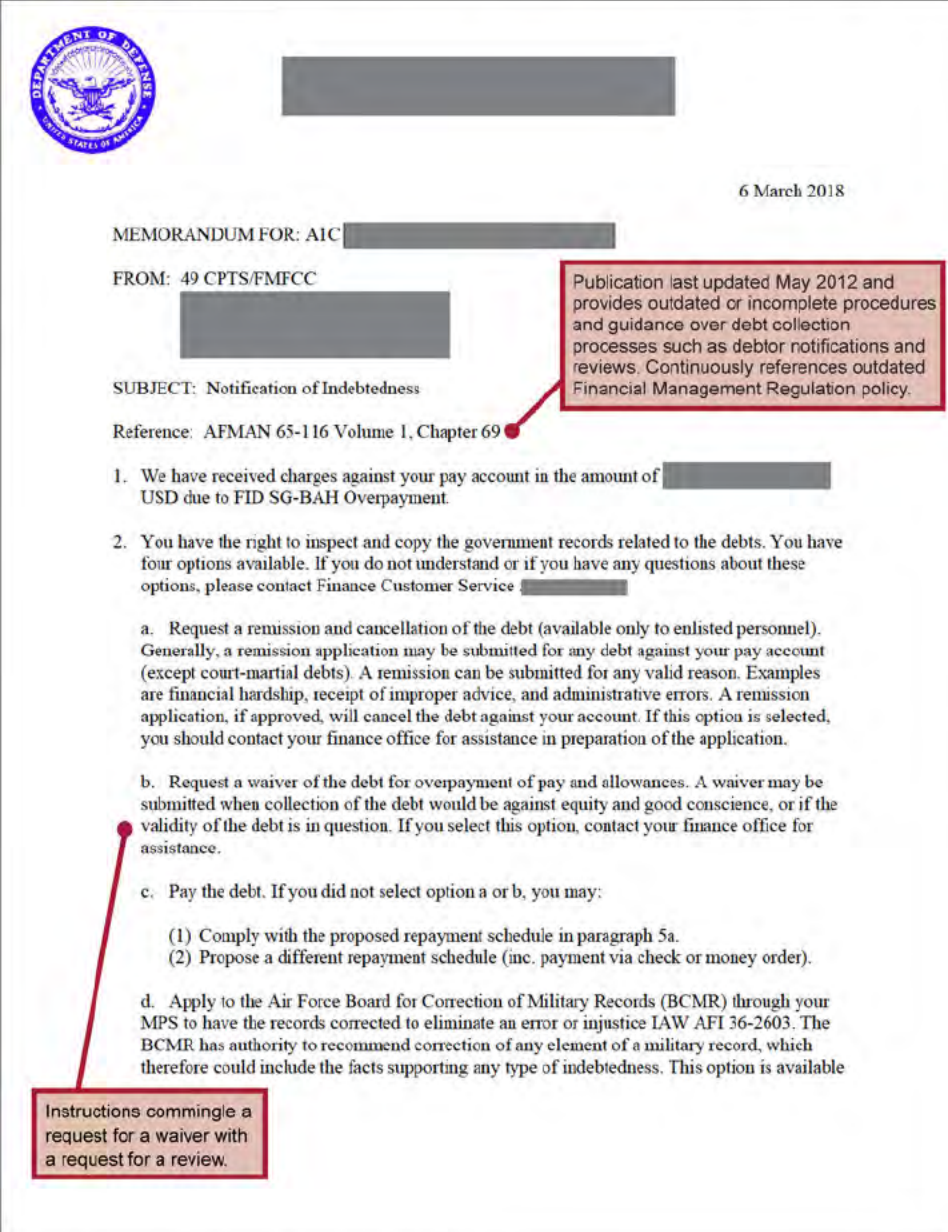
Appendix V: Examples of Service Member Debt Notification Letters That Do Not Meet All Requirements

Figure 5: Example 2 of a Service Member Debt Notification Letter Missing Required Pieces of Information

Other Missing or Incomplete Requirements in Figure 6:

- Requirement 4: Right to request a review
- Requirement 5: Right to a written decision of the review
- Requirement 8: Right to request a waiver or remission
- Requirement 9: Collection action on delinquent debts
- Requirement 11: Interest, penalties, and administrative costs
- Requirement 14: Penalty for false or frivolous statements
- Requirement 15: Bankruptcy
- Requirement 16: Right to a refund
- Requirement 17: Tax filing

Source: GAO. | GAO-19-61



The figure shows a sample debt notification letter from the Department of Defense. It includes a header with the department's seal and a date of 6 March 2018. The letter is addressed to AIC [redacted] and is from 49 CPTS/FMCC. The subject is 'Notification of Indebtedness' and the reference is 'AFMAN 65-116 Volume I, Chapter 69'. The letter contains four main points: 1. A charge against the pay account for USD due to FID SG-BAH Overpayment. 2. Rights to inspect records and four options for resolution: a. Remission and cancellation of the debt, b. Waiver of the debt for overpayment, c. Pay the debt with a proposed repayment schedule, and d. Apply to the Air Force Board for Correction of Military Records (BCMR). Red callout boxes highlight missing information: one points to the date (May 2012), another to the reference (AFMAN 65-116), and a third to the instructions for options a and b, which are commingled.

DEPARTMENT OF DEFENSE
UNITED STATES OF AMERICA

6 March 2018

MEMORANDUM FOR: AIC [redacted]

FROM: 49 CPTS/FMCC
[redacted]

SUBJECT: Notification of Indebtedness

Reference: AFMAN 65-116 Volume I, Chapter 69

1. We have received charges against your pay account in the amount of [redacted] USD due to FID SG-BAH Overpayment.

2. You have the right to inspect and copy the government records related to the debts. You have four options available. If you do not understand or if you have any questions about these options, please contact Finance Customer Service [redacted].

a. Request a remission and cancellation of the debt (available only to enlisted personnel). Generally, a remission application may be submitted for any debt against your pay account (except court-martial debts). A remission can be submitted for any valid reason. Examples are financial hardship, receipt of improper advice, and administrative errors. A remission application, if approved, will cancel the debt against your account. If this option is selected, you should contact your finance office for assistance in preparation of the application.

b. Request a waiver of the debt for overpayment of pay and allowances. A waiver may be submitted when collection of the debt would be against equity and good conscience, or if the validity of the debt is in question. If you select this option, contact your finance office for assistance.

c. Pay the debt. If you did not select option a or b, you may:

(1) Comply with the proposed repayment schedule in paragraph 5a.
(2) Propose a different repayment schedule (inc. payment via check or money order).

d. Apply to the Air Force Board for Correction of Military Records (BCMR) through your MPS to have the records corrected to eliminate an error or injustice IAW AFI 36-2603. The BCMR has authority to recommend correction of any element of a military record, which therefore could include the facts supporting any type of indebtedness. This option is available



Publication last updated May 2012 and provides outdated or incomplete procedures and guidance over debt collection processes such as debtor notifications and reviews. Continuously references outdated Financial Management Regulation policy.

Instructions commingle a request for a waiver with a request for a review.


Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61


Part 1 of 3

**Appendix V: Examples of Service Member Debt
Notification Letters That Do Not Meet All
Requirements**



only after all other options have been exhausted. When the BCMR application is for excess cost for movement of personal properties, it must be supported by a copy of the final adjudication from JPPSO/ECAF, and if appropriate, a copy of the response to the request for remission. Further, a payment option, mentioned in paragraph 2c above, must be selected and payment be initiated when BCMR action is being pursued.

3. If this charge is for excess costs for movement of personal property, review the DD Form 139, Pay Adjustment Authorization, for the statement "additional charges possible". If this occurs, there may be an additional debt against your account about which you will be notified later. If you wish to appeal the validity of these excess cost charges, immediately contact the Traffic Management Office (TMO) for proper counseling.
4. Any portion of the debt remaining at the time you are separated from the Air Force will be collected from your final pay and allowances.
5. Our proposed repayment schedule is:
 - a. Monthly payments effective next month deducting from your paychecks in the amount of  USD per month until the debt is repaid.
6. Please return this notification to us no later than 30 days from the date on the MFR to advise us of your option. If you fail to return it within this suspense, collection will automatically be taken against your account by DFAS at a rate of up to 2/3 your pay. If you have any questions, please contact us for assistance. Any appeal, waiver, or remission application must be submitted within the timeframe indicated below. For any questions regarding this notice, please contact our office via email at 49CPTSFSO@us.af.mil.





Financial Operations

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

Part 2 of 3

Appendix V: Examples of Service Member Debt Notification Letters That Do Not Meet All Requirements

1st Ind to 49 CPTS/EMFC ltr _____, Notification of Indebtedness

TO: 49 CPTS/EMFC:

Check on of the following:

☐ Post the debt to my account per your paragraph 5a.

☐ I request a faster method of payment. I can pay this debt in _____ monthly installments.

☐ I will make a payment on _____ via check or money order.

☐ I request a longer method of repayment because of financial hardship. I will pay the debt in _____ monthly installments in the amount of _____ (must be > \$50/mo). I will provide the documentation required within 30 days from the date of this notification, I understand that failure to do so will result in the debt being processed by automatically at a rate of up to 2/3 my pay.

☐ I will question the validity of the debt. You can expect my waiver⁹³ package within 10 business days from the date signed below, I understand that failure to deliver the package within this suspense will result in the debt being processed at a rate of up to 2/3 my pay.

☐ I will request a remission⁹⁴ of the debt due to financial hardship that repayment would cause. You can expect my remission package within 10 business days from the date signed below, I understand that failure to deliver the package within this suspense will result in the debt being processed at a rate of up to 2/3 my pay.

Instructions commingle a request for a waiver with a request for a review.

Member's signature and date _____

This document contains information that must be protected IAW AFI 33-332 and DoD Regulation 5400.22; Privacy Act of 1974 applies.

⁹³ WAIVER: Per AFMAN 65-116 Vol 1, Chapter 73, the member must submit a completed DD Form 2789 (<http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2789.pdf>), AF IMT 2451 (http://static.e-publishing.af.mil/production/1/saf_fm/form/af2451/af2451_rev.pdf), Waiver Checklist (Contact Finance), billing statements (NOT RECEIPTS) for expenses listed on AF Form 2451, Leave and Earning Statements for all affected pay periods, a signed and notarized (go to legal for notary service) Memorandum for Record stating all expenses listed on AF Form 2451 that the member cannot provide billing statements for, and other substantiating documentation requested by the servicing finance office (based on individual circumstances).

⁹⁴ REMISSION: Per AFMAN 65-116 Vol 1, Chapter 73, the member must submit a completed DD Form 2789 (<http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd2789.pdf>), AF IMT 2451 (http://static.e-publishing.af.mil/production/1/saf_fm/form/af2451/af2451_rev.pdf), Member Remission Checklist (Contact Finance), billing statements (NOT RECEIPTS) for expenses listed on AF Form 2451, Leave and Earning Statements for all affected pay periods, a signed and notarized (go to legal for notary service) Memorandum for Record stating all expenses listed on AF Form 2451 that the member cannot provide billing statements for, and other substantiating documentation requested by the servicing finance office (based on individual circumstances).

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

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Appendix V: Examples of Service Member Debt Notification Letters That Do Not Meet All Requirements

Figure 6: Example 3 of a Service Member Debt Notification Letter Missing Required Pieces of Information

Other Missing or Incomplete Requirements in Figure 7:

- Requirement 3: Payment due date
- Requirement 4: Right to request a review
- Requirement 5: Right to a written decision of the review
- Requirement 8: Right to request a waiver or remission
- Requirement 9: Collection action on delinquent debts
- Requirement 11: Interest, penalties, and administrative costs
- Requirement 13: Payment address
- Requirement 14: Penalty for false or frivolous statements
- Requirement 15: Bankruptcy
- Requirement 16: Right to a refund
- Requirement 17: Tax filing
- Requirement 18: Salary offset procedures

Source: GAO. | GAO-19-61

MEMORANDUM FOR: [REDACTED] DATE: 11 Nov 17
FROM: [REDACTED]
SUBJECT: Notification of Indebtedness

1. We have identified that you are indebted to the U.S. in the amount of \$ [REDACTED] which is the result of overpayment of Active Duty.

2. You have the right to inspect and copy the government records related to the debt.

3. The options below are available. If you do not understand or if you have any questions about these options, please contact [REDACTED] at [REDACTED].

a. Re-pay the indebtedness in full with a cash/check payment.

b. Agree with the proposed repayment schedule identified in paragraph 5 below.

c. Request a monthly payment amount.

d. Apply for a remission or waiver of the indebtedness.

4. Any portion of the debt remaining at the time you are separated from the Air Force will be collected in full from your final pay and allowances.

5. Our proposed repayment schedule is:
2/3rds of your pay per schedule pay month effective 17 Feb 2018

6. If you choose to pay in full with a check payment, please come by during office hours (T-F 0700-1730).

7. If you choose to apply for a remission, the application must be submitted to this office no later than the suspense stated above. If you have any questions, please contact us immediately.

Check one of the below options and return NLT (ASAP)

☒ Collect the debt per your proposal in paragraph 5

☐ Will come by the office to request monthly amount

☐ Make a cash/check payment by _____

☐ Apply for a remission of the debt. You can expect my remission application by _____
(Date must not be after NLT suspense date)

Member's signature _____ Date signed _____

Option not provided to request a review.

Instructions commingle a request for a remission of indebtedness with a request for a waiver.

Option not provided to request a waiver.

Source: GAO analysis of DOD Debt Notification Letter. | GAO-19-61

Appendix VI: Comments from the Department of Defense



COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JAN 30 2019

Ms. Alicia Puente Cackley
Director, Financial Markets and Community Investment
U.S. Government Accountability Office
441 G Street, NW
Washington DC 20548

Dear Ms. Cackley,

This is the Department of Defense (DoD) response to the Government Accountability Office (GAO) Draft Report, GAO-19-61, "DEPARTMENT OF DEFENSE: Process Improvements Needed in Recouping Overpayments," dated January 2, 2019 (GAO Code 102326). Enclosed are our responses to address the recommendations directed to the Secretary of Defense and the Under Secretary of Defense (Comptroller).

We appreciate the opportunity to review and comment on the GAO draft audit report. My staff point of contact for this audit is Mr. Brian J. Banal. Reach him at 703-571-1652 or brian.j.banal.civ@mail.mil.

Mark E. Easton
Deputy Chief Financial Officer

Enclosure:
As stated



GAO DRAFT REPORT DATED JANUARY 1, 2019
GAO-19-61 (GAO CODE 102326)

**"DEPARTMENT OF DEFENSE: PROCESS IMPROVEMENTS NEEDED IN
RECOUPING OVERPAYMENTS TO SERVICE MEMBERS"**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS**

RECOMMENDATION 1: The Under Secretary of Defense (Comptroller) should revise the service member debt notification letter template to include all of the information required by DOD Financial Management Regulation Volume 16.

DoD RESPONSE: Concur. The Defense Finance and Accounting Service (DFAS) will update the debt notification letter template to include all of the information required by the Department of Defense Financial Management Regulation (DoD FMR) Volume 16. The updated template will be published in DoD FMR Volume 16 by May 31, 2019.

RECOMMENDATION 2: The Under Secretary of Defense (Comptroller), in coordination with DFAS, should revise DOD Financial Management Regulation Volume 16 and the DFAS website to clearly state whether and when collection action should be suspended during the review process for service members who dispute their debt.

DoD RESPONSE: Concur. DFAS will update DoD FMR Volume 16 to clarify the suspension of collection action during the review process. This update will be completed by October 31, 2019. In addition, DFAS will update its website to clarify the procedures for debt dispute/review and to clearly state whether and when collection action should be and should not be suspended during the review process for service members who dispute their debt. This update will be completed by July 1, 2019.

RECOMMENDATION 3: The Under Secretary of Defense (Comptroller) should ensure that cross-references within each chapter related to debt collection functions in the FMR are current, relevant, and updated in a timely fashion.

DoD RESPONSE: Concur. The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) has controls in place to ensure that cross-references within each chapter related to debt collection functions in the DoD FMR are current, relevant, and updated in a timely fashion. These controls include standard operating procedures (SOPs) and a quality assurance checklist, which require action officers (responsible for updating DoD FMR chapters) to review the DoD FMR to determine if other chapters contain information that impacts their chapter updates. Although cross-referencing is addressed in the current revision process established by OUSD(C), further clarifying language regarding this issue will be added to the fiscal year 2019 revision of the DoD FMR SOP. The revised SOP will be published by April 30, 2019.

Enclosure

RECOMMENDATION 4: The Secretary of Defense should direct the Secretaries and Commandant of the military services, and the Director of DFAS where these responsibilities are shared, to review and update outdated debt collection procedures; update service level debt notification letter templates; and clarify debt and due process procedures applicable to the recoupment of DOD overpayment debts from service members for consistency with DOD Financial Management Regulation Volume 16 and other applicable areas of the Financial Management Regulation.

DoD RESPONSE: Concur. The Secretary of Defense, through the OUSD(C), uses the DoD FMR to provide financial management guidance to the Secretaries of the Military Departments. The OUSD(C) will direct, in writing to the Military Departments and the DFAS, the review and update of outdated debt collection procedures; the update of service level debt notification letter templates in DoD FMR Volume 16; and the clarification of due process procedures applicable to the recoupment of DoD overpayment debts from service members, for consistency with DoD FMR Volume 16 and other applicable FMR areas. Actions will be completed by July 1, 2019.

RECOMMENDATION 5: The Secretary of Defense should direct the Secretaries and Commandant of the military services, and the Director of DFAS, to ensure that all of the information required by DOD Financial Management Regulation Volume 16 be included in debt notification letters sent to service members.

DoD RESPONSE: Concur. Our response to Recommendation 4 applies.

Appendix VII: GAO Contacts and Staff Acknowledgments

GAO Contacts:

Alicia Puente Cackley, (202) 512-8678, CackleyA@gao.gov
Asif A. Khan, (202) 512-9869, KhanA@gao.gov

Staff Acknowledgments:

In addition to the contacts named above, Arkelga Braxton (Assistant Director), Marshall Hamlett (Assistant Director), Cole Haase (Analyst in Charge), Yue Pui Chin, Marc Molino, Brian Paige, Tovah Rom, and Jessica Sandler made key contributions to this report.

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U.S. Government Accountability Office, 441 G Street NW, Room 7814,
Washington, DC 20548



Please Print on Recycled Paper.



Ben Anderson <benlanderson@gmail.com>

201902369

1 message

Henderson, Andre CIV USN (USA)

Tue, Jun 11, 2019 at 4:07

<andre.henderson@navy.mil>

PM

To: "benlanderson@gmail.com" <benlanderson@gmail.com>

Cc: "Southall, Sandra D CIV USN DCNO N1 (US)" <sandra.southall@navy.mil>

LCDR Anderson,

This email is to acknowledge that the Chief of Naval Personnel, Office of Inspector General has received your hotline complaint, in which you alleged illegal garnishment of pay and recoupment of your nuclear bonus. We have assigned Navy Hotline Case 201902369 and request that you reference this case number in future correspondence with this office. I reviewed the information you provided and would like to refer your complaint to either the Assistant Commander, Navy Personnel Command (ACNPC), for Pay and Personnel Management (PERS-2), via the My Navy Career Center, or ACNPC for Career Management (PERS-4), to address your concerns. I have attached a "Consent to Certain Disclosures of Information" form. Please review the form, sign and return to me. We appreciate your support in this matter.

V/R

Andre Henderson

Office of the Inspector General

Investigations, Compliance & Oversight Officer

Chief of Naval Personnel/Bureau of Naval Personnel

[5730 Integrity Drive](#)

Millington, TN 38055

Phone: 901-874-3113/DSN 882

Fax: 901-874-2603

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Ben Anderson <benlanderson@gmail.com>

201902369

Ben Anderson <(b) (6)> Fri, Jun 14, 2019 at 4:32 PM
To: "(b) (6) CIV USN (USA)" <(b) (6)@navy.mil>
Cc: "(b) (6) CIV USN DCNO N1 (US)" <(b) (6)@navy.mil>, Ben
Logan Sebastian Anderson <(b) (6)@navy.mil>

(b) (6)

I did not receive the first letter, and upon receipt of the second, I called the detailer. The detailer informed me that PSD would contact me and at that point I could submit for remission or waiver.

To this date, I have been unable to receive any information on how to request a remission of the debt, and THAT is a violation of my due process rights under the DOD FMR and Title 10.

When directed to DFAS, DFAS refers to the Service for remission of debt. Despite my numerous requests on the governing documentation to apply for remission of debt and be provided the instructions on how to do so, the Navy has not provided them.

My request per my last email was specifically to provide the path for remission of debt IAW the DoD FMR and Title 10. Further, I have yet to receive an audit of my account to validate the amounts being taken.

With whom do I have to speak in order to get this properly addressed?

Your response fails to address the specifics of this situation. The specific issue is not whether or not the debt is valid. The issue is that I was not and continue to not have received any information on filing for the remission of debt as is my right.

Best regards,

Ben L. Anderson

(b) (6)

[Quoted text hidden]

<Notification of Course of Action 201902369.pdf>



Ben Anderson (b) (6)

201902369

Anderson, Ben L LCDR USN COMNAVDIST DC (USA)

Fri, Jun 14, 2019 at

<(b) (6)@navy.mil>

9:54 PM

To: (b) (6) CIV USN (USA)" <(b) (6)@navy.mil>

Cc: (b) (6) CIV USN DCNO N1 (US)" <(b) (6)@navy.mil>, Ben Anderson <(b) (6)>, (b) (6) CIV USN COMNAVDIST DC (USA)" <(b) (6)@navy.mil>, (b) (6) CAPT NDW HQ, N04" <(b) (6)@navy.mil>, (b) (6) CIV USN DCNO N1 (USA)" <(b) (6)@navy.mil>

(b) (6)

In addition to the information I provided in my previous email, and the fact that the NPC IG findings were both insufficient, and lacking substance, I would like to refer you to the following:

1.) GAO-19-61. This is a Government Accountability Office's report to Congressional Committees entitled "DOD Process Improvements Need in Recouping Overpayments to Service Members."

As indicated in their report, and in reviewing the correspondence I was provided, it is clear that the letter provided by the detailer and the complete absence of a letter from the local PSD responsible for initiating the recoupment violated the DoD Debt Collection Regulation. Second, despite my numerous attempts to locate current instructions which provide the procedural guidance for the submission of a remittance (IAW 10 USC 6161), the NAVY has failed to provide it

2.) DoD 7000.14-R, Volume 16, Chapter 4 which requires each service to provide a method for their respective service members to be able to submit a request for remission.

040902 – Requirement for services to have a methodology for submission or remission

040904 – Clearly identifies that the Service

3.) 37 USC 1007 and 5 USC 5514 – Service members are entitled to due process, consisting of a notice and an opportunity for review, prior to the initiation of debt collection.

This was NOT provided. PERS 42 informed me that it would be PSD contacting me prior to with the opportunity to review the debt and options for recoupment prior to the collection of the indebtedness.

4.) Further, under 5 USC 5514, the past involuntary collection of the debt cannot be construed as a waiver of my rights.

5.) From DoD FMR Volume 7A, Chapter 50:

500402 – Identifies that this debt can be remitted

500403 – Requires the service to provide procedural regulations

500701 - I have the option of filing for a waiver as it is for erroneous payments of pay and allowances. However, without know the process for applying for a remission

In closing, I request that this issue be reopened, and reexamined following a thorough review of the governing instructions along with the correspondence we have had. The failure to find issue when it is clearly annotated in the above listed instructions causes me grave concern of the efficacy of the IG program.

Respectfully,

LCDR Ben L. Anderson

[Quoted text hidden]



Ben Anderson <(b) (6)>

201902369

Anderson, Ben L LCDR USN COMNAVDIST DC (USA)

Wed, Jun 19, 2019 at

<(b) (6)@navy.mil>

8:44 AM

To: "(b) (6) CIV USN (USA)" <(b) (6)@navy.mil>

Cc: "(b) (6) CIV USN DCNO N1 (US)" <(b) (6)@navy.mil>, Ben Anderson <(b) (6)>, "(b) (6) (Jeff) SR CIV USN COMNAVDIST DC (USA)" <(b) (6)@navy.mil>, "(b) (6) CAPT NDW HQ, N04" <(b) (6)@navy.mil>, "(b) (6) CIV USN DCNO N1 (USA)" <(b) (6)@navy.mil>, "(b) (6) CIV USN DCNO N1 (USA)" <(b) (6)@navy.mil>

(b) (6)

Thank you for the email, but it is incorrect. I have two avenues IAW the DoD FMR – waiver or remission. Specifically, remission allows to take into account financial hardship, good will, and many other factors that waivers do not.

Thus, I am eligible IAW the DoD FMR and the other references previously cited to file for a remission of my debt, so where is that option?

It is important that the we follow the laws and instructions that govern our service, and this is specifically the issue – they were not. PSD did not notify me as they are required to, as it is they who take the action, not the detailer. Further, PSD was also required to notify me and provide options of recoupment and inform me of the waiver and remission process, which they did not.

So where is the Navy's policy (as required by the DoD FMR) to file for a remission of debt?

V/r

LCDR Anderson

[Quoted text hidden]



DEPARTMENT OF THE NAVY
BUREAU OF NAVAL PERSONNEL
5720 INTEGRITY DRIVE
MILLINGTON TN 38055-0000

5041
Ser 00IG24/2019154
June 14, 2019

(b) (6)

Dear LCDR Anderson:

SUBJECT: NOTIFICATION OF FINAL COURSE OF ACTION RE CASE 201902369

This is in response to your email of June 3, 2019, in which you alleged that Navy Personnel Command (NPC) determined you were ineligible to receive a nuclear bonus and your pay was illegally garnished for recoupment without you being afforded due process to challenge the recoupment.

We conducted a preliminary analysis of your complaint and determined that NPC (PERS-42) sent you a letter on August 11, 2015, notifying you that your nuclear additional qualification designators (AQDs) would be removed, making you ineligible for the continued nuclear bonus payments. You continued to receive unwarranted bonus payments for calendar years 2016 – 2018. On June 28, 2018, you received another letter from NPC (PERS-42), notifying that you owed a total debt of \$33,999.99 to the Navy and that the debt would be placed on your account for repayment. A subsequent email from your Detailer identified numerous options for repayment. When you did not opt for any of the options, a garnishment of your pay was made for the recoupment of the debt you owed the Navy. We found there was no violation of rule or regulation.

We have closed this case. Thank you for bringing your concerns to our attention.

Sincerely,

(b) (6)

STEPHEN W. CROLEY
Inspector General

Entitlements	
Nuclear Bonus	
Entry Open Data	140529 03 06 1
Entry Closed Data	140529 03 06 1
Computer Processing Control Code	2 - Closed entry that affects pay.
Start Date	2014-05-15
Action Indicator	03 - Report
Entitlement	\$30,000.00
Nuclear Bonus Type	3 - Nuclear Officer Continuation Pay

Entitlements	
Nuclear Bonus	
Entry Open Data	150505 07 05 1
Entry Closed Data	150505 07 05 1
Computer Processing Control Code	2 - Closed entry that affects pay.
Start Date	2015-05-15
Action Indicator	03 - Report
Entitlement	\$11,333.33
Nuclear Bonus Type	3 - Nuclear Officer Continuation Pay

Entitlements	
Nuclear Bonus	
Entry Open Data	160507 09 05 1
Entry Closed Data	160507 09 05 1
Computer Processing Control Code	2 - Closed entry that affects pay.
Start Date	2016-05-15
Action Indicator	03 - Report
Entitlement	\$11,333.33
Nuclear Bonus Type	3 - Nuclear Officer Continuation Pay

Entitlements	
Nuclear Bonus	
Entry Open Data	170507 09 05 1
Entry Closed Data	170507 09 05 1
Computer Processing Control Code	2 - Closed entry that affects pay.
Start Date	2017-05-15
Action Indicator	03 - Report
Entitlement	\$11,333.33
Nuclear Bonus Type	3 - Nuclear Officer Continuation Pay

Entitlements	
Nuclear Bonus	
Entry Open Data	180702 06 07 1
Entry Closed Data	180702 06 07 1
Computer Processing Control Code	6 - Closed entry which was corrected and does not affect pay. For audit purposes only.
Start Date	2018-06-25
Action Indicator	Q2 - Stopped by Computer Generated Indebtedness
Entitlement	-\$33,999.99
Nuclear Bonus Type	3 - Nuclear Officer Continuation Pay
Entry Open Data	180507 09 05 1
Entry Closed Data	180507 09 05 1
Computer Processing Control Code	2 - Closed entry that affects pay.
Start Date	2018-05-15
Action Indicator	03 - Report
Entitlement	\$11,333.33
Nuclear Bonus Type	3 - Nuclear Officer Continuation Pay